PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 501 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2009–2010

COMPRISING PERIOD
18 November 2009—4 December 2009

Chronology of
The Parliamentary Debates

The Parliamentary History contains all that can be collected of the Legislative History of this country from the Conquest to the close of the XVIIIth Century (1803), 36 vols. The chief sources whence these Debates are derived are the Constitutional History, 24 vols.; Sir Simonds D'Ewes' Journal; Debates of the Commons in 1620 and 1621; Chandler and Timberland's Debates, 22 vols.; Grey's Debates of the Commons, from 1667 to 1694, 10 vols.; Almons Debates, 24 vols.; Debrett's Debates, 63 vols.; The Hardwicke Papers; Debates in Parliament by Dr. Johnson, &c. &c.

THE PARLIAMENTARY DEBATES commenced with the year 1803, and the contents are set forth in the following Chronological Table:—

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House of Commons

Alphabetical List of Members

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Abbott, Diana Julie (Hackney, North and Stoke Newington)
Adams, Gerry (Belfast, West)
Afriyie, Adam (Windsor)
Ainger, Nicholas Richard (Carmarthen, West and South Pembrokeshire)
Ainsworth, Peter Michael (East Surrey)
Ainsworth, Rt. Hon. Robert William (Coventry, North-East)
Alexander, Daniel Grian (Inverness, Nairn, Badenoch and Strathspey)
Alexander, Douglas Garven (Paisley and Renfrewshire, South)
Allen, Graham William (Nottingham, North)
Amess, David Anthony Andrew (Southend, West)
Ancram, Rt. Hon. Michael Andrew (Devizes)
Anderson, David (Blaydon)
Anderson, Janet (Rossendale and Darwen)
Arbuthnot, Rt. Hon. James Norwich (North-East Hampshire)
Armstrong, Rt. Hon. Hilary Jane (North-West Durham)
Atkins, Charlotte Jean (Staffordshire, Moorlands)
Atkinson, Peter Landreth (Hexham)
Austin, Ian Christopher (Dudley, North)
Austin, John Eric (Erith and Thamesmead)

B

Bacon, Richard Michael (South Norfolk)
Bailey, Adrian Edward (West Bromwich, West)
Bain, William Thomas (Glasgow, North-East) [*By-election, November 2009*]
Baird, Vera (Redcar)
Baker, Norman John (Lewes)
Baldry, Antony Brian (Banbury)
Balls, Edward Michael (Normanton)
Banks, Gordon Raymond (Ochil and South Perthshire)
Barker, Gregory Leonard George (Bexhill and Battle)
Barlow, Celia Anne (Hove)
Baron, John Charles (Billericay)
Barrett, John Andrew (Edinburgh, West)
Barron, Rt. Hon. Kevin John (Rother Valley)
Battle, Rt. Hon. John Dominic (Leeds, West)
Bayley, Hugh (City of York)
Beckett, Rt. Hon. Margaret Mary (Derby, South)
Begg, Anne (Aberdeen, South)
Beith, Rt. Hon. Alan James (Berwick-upon-Tweed)
Bell, Sir Stuart (Middlesbrough)
Bellingham, Henry Campbell (North-West Norfolk)
Benn, Rt. Hon. Hilary James (Leeds, Central)
Benton, Joseph Edward (Bootle)
Benyon, Richard Henry Ronald (Newbury)
Bercow, John Simon (Buckingham)
Beresford, Sir Alexander Paul (Mole Valley)
Berry, Roger Leslie (Kingswood)
Betts, Clive James Charles (Sheffield, Attercliffe)
Binley, Brian Arthur Roland (Northampton, South)
Blackman, Elizabeth Marion (Erewash)
Blackman-Woods, Roberta Carol (City of Durham)
Blair, Rt. Hon. Anthony Charles Lynton (Sedgefield) [*Resigned, June 2007*]
Blears, Hazel Anne (Salford)
Blizzard, Robert John (Waveney)
Blunkett, Rt. Hon. David (Sheffield, Brightside)
Blunt, Crispin Jeremy Rupert (Reigate)
Bone, Peter William (Wellingborough)
Borrow, David Stanley (South Ribble)
Boswell, Timothy Eric (Daventry)
Bottomley, Peter James (Worthing, West)
Bradshaw, Benjamin Peter James (Exeter)
Brady, Graham Stuart (Altrincham and Sale, West)
Brake, Thomas Anthony (Carshalton and Wallington)
Brazier, Julian William Hendy (Canterbury)
Breed, Colin Edward (South-East Cornwall)
Brennan, Kevin Denis (Cardiff, West)
Brokenshire, James Peter (Hornchurch)
Brooke, Annette Lesley (Mid-Dorset and North Poole)
Brown, Lyn Carol (West Ham)
Brown, Rt. Hon. James Gordon (Kirkcaldy and Cowdenbeath)
Brown, Rt. Hon. Nicholas Hugh (Newcastle upon Tyne, East and Wallsend)
Brown, Russell Leslie (Dumfries and Galloway)
Browne, Desmond Henry (Kilmarnock and Loudon)
Browne, Jeremy Richard (Taunton)
Browning, Angela Frances (Tiverton and Honiton)
Bruce, Malcolm Gray (Gordon)
Bryant, Christopher John (Rhondda)
Buck, Karen Patricia (Regent's Park and Kensington, North)
Burden, Richard Haines (Birmingham, Northfield)
Burgon, Colin (Elmet)
Burnham, Andrew Murray (Leigh)
Burns, Simon Hugh McGuigan (West Chelmsford)
Burrowes, David John Barrington (Enfield, Southgate)
Burstow, Paul Kenneth (Sutton and Cheam)
Burt, Alistair James Hendrie (North-East Bedfordshire)
Burt, Lorely Jane (Solihull)
Butler, Dawn Petula (Brent, South)
Butterfill, Sir John Valentine (Bournemouth, West)
Byers, Rt. Hon. Stephen John (North Tyneside)
Byrne, Liam Dominic (Birmingham, Hodge Hill)

C

Cable, John Vincent (Twickenham)
Caborn, Rt. Hon. Richard George (Sheffield, Central)
Cairns, John David (Inverclyde)
Calton, Patsy (Cheadle) [*Died, May 2005*]
Cameron, David William Donald (Witney)
Campbell, Alan (Tynemouth)
Campbell, Gregory Lloyd (East Londonderry)
Campbell, Ronald (Blyth Valley)
Campbell, Rt. Hon. Sir Walter Menzies (North-East Fife)
Carmichael, Alexander Morrison (Orkney and Shetland)
Carswell, John Douglas Wilson (Harwich)
Cash, William Nigel Paul (Stone)
Caton, Martin Phillip (Gower)
Cawsey, Ian Arthur (Brigg and Goole)

Challen, Colin Robert (Morley and Rothwell)
Chapman, James Keith (Wirral, South)
Chaytor, David Michael (Bury, North)
Chope, Christopher Robert (Christchurch)
Clapham, Michael (Barnsley, West and Penistone)
Clappison, William James (Hertsmere)
Clark, Gregory David (Tunbridge Wells)
Clark, Katy (North Ayrshire and Arran)
Clark, Paul Gordon (Gillingham)
Clarke, Rt. Hon. Charles Rodway (Norwich, South)
Clarke, Rt. Hon. Kenneth Harry (Rushcliffe)
Clarke, Rt. Hon. Thomas (Coatbridge, Chryston and Bellshill)
Clegg, Nicholas William Peter (Sheffield, Hallam)
Clelland, David Gordon (Tyne Bridge)
Clifton-Brown, Geoffrey (Cotswold)
Clwyd, Rt. Hon. Ann (Cynon Valley)
Coaker, Vernon Rodney (Gedling)
Coffey, Ann (Stockport)
Cohen, Harry Michael (Leyton and Wanstead)
Connarty, Michael (Linlithgow and East Falkirk)
Conway, Derek Leslie (Old Bexley and Sidcup)
Cook, Francis (Stockton, North)
Cook, Rt. Hon. Robin (Livingston) [*Died, August 2005*]
Cooper, Rosemary Elizabeth (West Lancashire)
Cooper, Yvette (Pontefract and Castleford)
Corbyn, Jeremy Bernard (Islington, North)
Cormack, Sir Patrick Thomas (South Staffordshire) [*Delayed return, June 2005*]
Cousins, James MacKay (Newcastle upon Tyne, Central)
Cox, Charles Geoffrey (Torridge and West Devon)
Crabb, Stephen (Preseli Pembrokeshire)
Crausby, David Anthony (Bolton, North-East)
Creagh, Mary Helen (Wakefield)
Cruddas, Jonathon (Dagenham)
Cryer, Constance Ann (Keighley)
Cummings, John Scott (Easington)
Cunningham, James Dolan (Coventry, South)
Cunningham, Thomas Anthony (Workington)
Curry, Rt. Hon. David Maurice (Skipton and Ripon)
Curtis-Thomas, Claire (Crosby)

D

Darling, Rt. Hon. Alistair Maclean (Edinburgh, South-West)
Davey, Edward Jonathon (Kingston and Surbiton)
David, Wayne (Caerphilly)
Davidson, Ian Graham (Glasgow, South-West)
Davies, David Clifford (Blaenau Gwent) [*By-election, July 2006*]
Davies, David Thomas Charles (Monmouth)
Davies, John Quentin (Grantham and Stamford)
Davies, Philip Andrew (Shipley)
Davis, Rt. Hon. David Michael (Haltemprice and Howden) [*Resigned, June 2008; returned at by-election, July 2008*]
Dean, Janet Elizabeth Ann (Burton)
Denham, Rt. Hon. John Yorke (Southampton, Itchen)
Devine, James (Livingston) [*By-election, October 2005*]
Dhanda, Parmjit Singh (Gloucester)
Dismore, Andrew Hartley (Hendon)
Djanogly, Jonathan Simon (Huntingdon)
Dobbin, James (Heywood and Middleton)
Dobson, Rt. Hon. Frank Gordon (Holborn and St. Pancras)
Dodds, Nigel Alexander (Belfast, North)
Doherty, Pat (West Tyrone)
Donaldson, Jeffrey Mark (Lagan Valley)
Donohoe, Brian Harold (Central Ayrshire)
Doran, Frank (Aberdeen, North)
Dorrell, Rt. Hon. Stephen James (Charnwood)
Dorries, Nadine Vanessa (Mid-Bedfordshire)
Dowd, James Patrick (Lewisham, West)
Drew, David Elliott (Stroud)
Duddridge, James Philip (Rochford and Southend, East)
Duncan, Alan James Carter (Rutland and Melton)
Duncan Smith, Rt. Hon. George Iain (Chingford and Woodford Green)
Dunne, Philip Martin (Ludlow)
Dunwoody, Gwyneth Patricia (Crewe and Nantwich) [*Died, April 2008*]
Durkan, John Mark (Foyle)

E

Eagle, Angela (Wallasey)
Eagle, Maria (Liverpool, Garston)
Efford, Clive Stanley (Eltham)
Ellman, Louise Joyce (Liverpool, Riverside)
Ellwood, Tobias Martin (Bournemouth, East)
Engel, Natascha (North-East Derbyshire)
Ennis, Jeffrey (Barnsley, East and Mexborough)
Etherington, William (Sunderland, North)
Evans, Nigel Martin (Ribble Valley)
Evennett, David Anthony (Bexleyheath and Crayford)

F

Fabricant, Michael Louis David (Lichfield)
Fallon, Michael Cathel (Sevenoaks)
Farrelly, Christopher Paul (Newcastle-under-Lyme)
Farron, Timothy James (Westmorland and Lonsdale)
Featherstone, Lynne Choona (Hornsey and Wood Green)
Field, Rt. Hon. Frank (Birkenhead)
Field, Mark Christopher (Cities of London and Westminster)
Fisher, Mark (Stoke-on-Trent, Central)
Fitzpatrick, James (Poplar and Canning Town)
Flello, Robert Charles Douglas (Stoke-on-Trent, South)
Flint, Caroline Louise (Don Valley)
Flynn, Paul Phillip (Newport West)
Follett, Daphne Barbara (Stevenage)
Forth, Rt. Hon. Eric (Bromley and Chislehurst) [*Died, May 2006*]
Foster, Donald Michael Ellison (Bath)
Foster, Michael Jabez (Hastings and Rye)
Foster, Michael John (Worcester)
Fox, Liam (Woodspring)
Francis, David Hywel (Aberavon)
Francois, Mark Gino (Rayleigh)
Fraser, Christopher James (South-West Norfolk)

G

Gale, Roger James (North Thanet)
Galloway, George (Bethnal Green and Bow)
Gapes, Michael John (Ilford, South)
Gardiner, Barry Strachan (Brent, North)
Garnier, Edward Henry (Harborough)
Gauke, David Michael (South-West Hertfordshire)
George, Andrew Henry (St. Ives)
George, Rt. Hon. Bruce Thomas (Walsall, South)
Gerrard, Neil Francis (Walthamstow)
Gibb, Nicolas John (Bognor Regis and Littlehampton)
Gibson, Ian (Norwich, North) [*Resigned, June 2009*]
Gidley, Sandra Julia (Romsey)

Gildernew, Michelle (Fermanagh and South Tyrone)
Gillan, Cheryl Elise Kendall (Chesham and Amersham)
Gilroy, Linda (Plymouth, Sutton)
Godsiff, Roger Duncan (Birmingham, Sparkbrook and Small Heath)
Goggins, Paul Gerard (Wythenshawe and Sale, East)
Goldsworthy, Julia Anne (Falmouth and Camborne)
Goodman, Helen Catherine (Bishop Auckland)
Goodman, Paul Alexander Cyril (Wycombe)
Goodwill, Robert (Scarborough and Whitby)
Gove, Michael Andrew (Surrey Heath)
Gray, James Whiteside (North Wiltshire)
Grayling, Christopher Stephen (Epsom and Ewell)
Green, Damian Howard (Ashford)
Greening, Justine (Putney)
Greenway, John Robert (Ryedale)
Grieve, Dominic Charles Roberts (Beaconsfield)
Griffith, Nia Rhiannon (Llanelli)
Griffiths, Nigel (Edinburgh, South)
Grogan, John Timothy (Selby)
Gummer, Rt. Hon. John Selwyn (Suffolk Coastal)
Gwynne, Andrew John (Denton and Reddish)

H

Hague, Rt. Hon. William Jefferson (Richmond, Yorks)
Hain, Rt. Hon. Peter Gerald (Neath)
Hall, Michael Thomas (Weaver Vale)
Hall, Patrick (Bedford)
Hamilton, David (Midlothian)
Hamilton, Fabian (Leeds, North-East)
Hammond, Philip (Runnymede and Weybridge)
Hammond, Stephen William (Wimbledon)
Hancock, Michael Thomas (Portsmouth, South)
Hands, Gregory William (Hammersmith and Fulham)
Hanson, David George (Delyn)
Harman, Rt. Hon. Harriet (Camberwell and Peckham)
Harper, Mark James (Forest of Dean)
Harris, Evan Leslie (Oxford, West and Abingdon)
Harris, Tom (Glasgow, South)
Harvey, Nicholas Barton (North Devon)
Haselhurst, Rt. Hon. Sir Alan Gordon Barraclough (Saffron Walden)
Havard, David Stewart (Merthyr Tydfil and Rhymney)
Hayes, John Henry (South Holland and The Deepings)
Heal, Sylvia Lloyd (Halesowen and Rowley Regis)
Heald, Oliver (North-East Hertfordshire)
Healey, John (Wentworth)
Heath, David William St. John (Somerton and Frome)
Heathcoat-Amory, Rt. Hon. David Philip (Wells)
Hemming, John Alexander Melvin (Birmingham, Yardley)
Henderson, Douglas John (Newcastle upon Tyne, North)
Hendrick, Mark Phillip (Preston)
Hendry, Charles (Wealden)
Hepburn, Stephen (Jarrow)
Heppell, John (Nottingham, East)
Herbert, Nicholas Le Quesne (Arundel and South Downs)
Hermon, Lady Sylvia Eileen (North Down)
Hesford, Stephen (Wirral, West)
Hewitt, Rt. Hon. Patricia Hope (Leicester, West)
Heyes, David Alan (Ashton-under-Lyne)
Hill, Rt. Hon. Keith (Streatham)
Hillier, Meg (Hackney, South and Shoreditch)
Hoban, Mark Gerard (Fareham)
Hodge, Rt. Hon. Margaret Eve (Barking)
Hodgson, Sharon (Gateshead, East and Washington, West)
Hoey, Catharine Letitia (Vauxhall)
Hogg, Rt. Hon. Douglas Martin (Sleaford and North Hykeham)
Hollobone, Philip Thomas (Kettering)
Holloway, Adam James Harold (Gravesham)
Holmes, Paul Robert (Chesterfield)
Hood, James (Lanark and Hamilton, East)
Hoon, Rt. Hon. Geoffrey William (Ashfield)
Hope, Philip Ian (Corby)
Hopkins, Kelvin Peter (Luton, North)
Horam, John Rhodes (Orpington)
Horwood, Martin Charles (Cheltenham)
Hosie, Stewart (Dundee, East)
Howard, Rt. Hon. Michael (Folkestone and Hythe)
Howarth, David Ross (Cambridge)
Howarth, George Edward (Knowsley, North and Sefton, East)
Howarth, James Gerald Douglas (Aldershot)
Howell, John Michael (Henley) [*By-election, June 2008*]
Howells, Kim Scott (Pontypridd)
Hoyle, Lindsay Harvey (Chorley)
Hughes, Rt. Hon. Beverley June (Stretford and Urmston)
Hughes, Simon Henry Ward (North Southwark and Bermondsey)
Huhne, Christopher Murray Paul (Eastleigh)
Humble, Jovanka Joan (Blackpool, North and Fleetwood)
Hunt, Jeremy (South-West Surrey)
Hunter, Mark James (Cheadle) [*By-election, July 2005*]
Hurd, Nicholas Richard (Ruislip-Northwood)
Hutton, Rt. Hon. John Matthew Patrick (Barrow and Furness)

I

Iddon, Brian (Bolton, South-East)
Illsley, Eric Evlyn (Barnsley, Central)
Ingram, Rt. Hon. Adam (East Kilbride, Strathaven and Lesmahagow)
Irranca-Davies, Ifor Huw (Ogmore)

J

Jack, Rt. Hon. John Michael (Fylde)
Jackson, Glenda May (Hampstead and Highgate)
Jackson, Stewart James (Peterborough)
James, Siân Catherine (Swansea, East)
Jenkin, Bernard Christison (North Essex)
Jenkins, Brian David (Tamworth)
Johnson, Rt. Hon. Alan Arthur (Kingston upon Hull, West and Hessle)
Johnson, Alexander Boris (Henley) [*Resigned, June 2008*]
Johnson, Diana Ruth (Kingston upon Hull, North)
Jones, David Ian (Clwyd, West)
Jones, Helen Mary (Warrington, North)
Jones, Kevan David (North Durham)
Jones, Lynne Mary (Birmingham, Selly Oak)
Jones, Martyn David (Clwyd, South)
Jowell, Rt. Hon. Tessa Jane (Dulwich and West Norwood)
Joyce, Eric (Falkirk)

K

Kaufman, Rt. Hon. Sir Gerald Bernard (Manchester, Gorton)
Kawczynski, Daniel Robert (Shrewsbury and Atcham)
Keeble, Sally Curtis (Northampton, North)

Keeley, Barbara Mary (Worsley)
Keen, Alan (Feltham and Heston)
Keen, Ann Lloyd (Brentford and Isleworth)
Keetch, Paul Stuart (Hereford)
Kelly, Rt. Hon. Ruth Maria (Bolton, West)
Kemp, Fraser (Houghton and Washington, East)
Kennedy, Rt. Hon. Charles Peter (Ross, Skye and Lochaber)
Kennedy, Rt. Hon. Jane Elizabeth (Liverpool, Wavertree)
Key, Simon Robert (Salisbury)
Khabra, Piara Singh (Ealing, Southall) [*Died, June 2007*]
Khan, Sadiq Aman (Tooting)
Kidney, David Neil (Stafford)
Kilfoyle, Peter (Liverpool, Walton)
Kirkbride, Julie (Bromsgrove)
Knight, Rt. Hon. Gregory (East Yorkshire)
Knight, Jim (South Dorset)
Kramer, Susan Veronica (Richmond Park)
Kumar, Ashok (Middlesbrough, South and East Cleveland)

L

Ladyman, Stephen John (South Thanet)
Laing, Eleanor Fulton (Epping Forest)
Lait, Jacqueline Anne Harkness (Beckenham)
Lamb, Norman Peter (North Norfolk)
Lammy, David Lindon (Tottenham)
Lancaster, John Mark (North-East Milton Keynes)
Lansley, Andrew David (South Cambridgeshire)
Law, Peter John (Blaenau Gwent) [*Died, April 2006*]
Laws, David Anthony (Yeovil)
Laxton, Robert (Derby, North)
Lazarowicz, Marek Jerzy (Edinburgh, North and Leith)
Leech, John (Manchester, Withington)
Leigh, Edward Julian Egerton (Gainsborough)
Lepper, David (Brighton, Pavilion)
Letwin, Rt. Hon. Oliver (West Dorset)
Levitt, Tom (High Peak)
Lewis, Ivan (Bury, South)
Lewis, Julian Murray (New Forest, East)
Liddell-Grainger, Ian Richard (Bridgwater)
Lidington, David Roy (Aylesbury)
Lilley, Rt. Hon. Peter Bruce (Hitchin and Harpenden)
Linton, Martin (Battersea)
Lloyd, Anthony Joseph (Manchester, Central)
Llwyd, Elfyn (Meirionnydd Nant Conwy)
Lord, Sir Michael Nicholson (Central Suffolk and North Ipswich)
Loughton, Timothy Paul (East Worthing and Shoreham)
Love, Andrew Mcculloch (Edmonton)
Lucas, Ian Colin (Wrexham)
Luff, Peter James (Mid-Worcestershire)

M

McAvoy, Rt. Hon. Thomas McLaughlin (Rutherglen and Hamilton, West)
McCabe, Stephen James (Birmingham, Hall Green)
McCafferty, Christine (Calder Valley)
McCarthy, Kerry (Bristol, East)
McCarthy-Fry, Sarah Louise (Portsmouth, North)
McCartney, Rt. Hon. Ian (Makerfield)
McCrea, The Reverend Robert Thomas William (South Antrim)
McDonagh, Siobhain Ann (Mitcham and Morden)
McDonnell, Alasdair (Belfast, South)
McDonnell, John Martin (Hayes and Harlington)
MacDougall, John William (Glenrothes) [*Died, August 2008*]
McFadden, Patrick Bosco (Wolverhampton, South-East)
McFall, Rt. Hon. John (West Dunbartonshire)
McGovern, James (Dundee, West)
McGrady, Eddie (South Down)
McGuinness, Martin (Mid-Ulster)
McGuire, Anne (Stirling)
McIntosh, Anne Caroline Ballingall (Vale of York)
McIsaac, Shona (Cleethorpes)
Mackay, Rt. Hon. Andrew James (Bracknell)
McKechin, Ann (Glasgow, North)
McKenna, Rosemary (Cumbernauld, Kilsyth and Kirkintilloch, East)
Mackinlay, Andrew (Thurrock)
Maclean, Rt. Hon. David John (Penrith and The Border)
McLoughlin, Patrick Allen (West Derbyshire)
MacNeil, Angus Brendan (Na h-Eileanan an Iar)
McNulty, Anthony James (Harrow, East)
MacShane, Denis (Rotherham)
Mactaggart, Fiona Margaret (Slough)
Mahmood, Khalid (Birmingham, Perry Barr)
Main, Anne Margaret (St. Albans)
Malik, Shahid (Dewsbury)
Malins, Humfrey Jonathan (Woking)
Mallaber, Judy (Amber Valley)
Mann, John (Bassetlaw)
Maples, John Cradock (Stratford-on-Avon)
Marris, Robert Howard (Wolverhampton, South-West)
Marsden, Gordon (Blackpool, South)
Marshall, David (Glasgow, East) [*Resigned, June 2008*]
Marshall-Andrews, Robert Graham (Medway)
Martin, Rt. Hon. Michael John (Glasgow, North-East) [*Resigned, June 2009*]
Martlew, Eric Anthony (Carlisle)
Mason, John Fingland (Glasgow, East) [*By-election, July 2008*]
Mates, Rt. Hon. Michael John (East Hampshire)
Maude, Rt. Hon. Francis Anthony Aylmer (Horsham)
May, Rt. Hon. Theresa Mary (Maidenhead)
Meacher, Rt. Hon. Michael Hugh (Oldham, West and Royton)
Meale, Joseph Alan (Mansfield)
Mercer, Patrick John (Newark)
Merron, Gillian Joanna (Lincoln)
Michael, Rt. Hon. Alun Edward (Cardiff, South and Penarth)
Milburn, Rt. Hon. Alan (Darlington)
Miliband, David Wright (South Shields)
Miliband, Edward Samuel (Doncaster, North)
Miller, Andrew Peter (Ellesmere Port and Neston)
Miller, Maria Frances Lewis (Basingstoke)
Milton, Anne Frances (Guildford)
Mitchell, Andrew John Bower (Sutton Coldfield)
Mitchell, Austin Vernon (Great Grimsby)
Moffatt, Laura Jean (Crawley)
Mole, Christopher David (Ipswich)
Moon, Madeleine (Bridgend)
Moore, Michael Kevin (Berwickshire, Roxburgh and Selkirk)
Moran, Margaret (Luton, South)
Morden, Jessica Elizabeth (Newport, East)
Morgan, Julie (Cardiff, North)
Morley, Elliot Anthony (Scunthorpe)
Moss, Malcolm Douglas (North-East Cambridgeshire)
Mountford, Kali Carol Jean (Colne Valley)
Mudie, George Edward (Leeds, East)
Mulholland, Gregory Thomas (Leeds, North-West)
Mullin, Christopher John (Sunderland, South)

Mundell, David Gordon (Dumfriesshire, Clydesdale and Tweeddale)
Munn, Margaret Patricia (Sheffield, Heeley)
Murphy, Conor Terence (Newry and Armagh)
Murphy, Denis (Wansbeck)
Murphy, Jim (East Renfrewshire)
Murphy, Rt. Hon. Paul Peter (Torfaen)
Murrison, Andrew William (Westbury)

N

Naysmith, John Douglas (Bristol, North-West)
Neill, Robert (Bromley and Chislehurst) [*By-election, July 2006*]
Newmark, Brooks (Braintree)
Norris, Dan (Wansdyke)

O

O'Brien, Michael (North Warwickshire)
O'Brien, Stephen Rothwell (Eddisbury)
O'Hara, Edward (Knowsley, South)
Oaten, Mark (Winchester)
Olner, William John (Nuneaton)
Öpik, Lembit (Montgomeryshire)
Osborne, George Gideon Oliver (Tatton)
Osborne, Sandra (Ayr, Carrick and Cumnock)
Ottaway, Richard Geoffrey James (Croydon, South)
Owen, Albert (Ynys Môn)

P

Paice, James Edward Thornton (South-East Cambridgeshire)
Paisley, The Reverend Ian Richard Kyle (North Antrim)
Palmer, Nicholas Douglas (Broxtowe)
Paterson, Owen William (North Shropshire)
Pearson, Ian Phares (Dudley, South)
Pelling, Andrew John (Croydon, Central)
Penning, Michael Alan (Hemel Hempstead)
Penrose, John David (Weston-Super-Mare)
Picking, Anne (East Lothian)
Pickles, Eric Jack (Brentwood and Ongar)
Plaskitt, James Andrew (Warwick and Leamington)
Pope, Gregory James (Hyndburn)
Pound, Stephen Pelham (Ealing, North)
Prentice, Bridget Theresa (Lewisham, East)
Prentice, Gordon (Pendle)
Prescott, Rt. Hon. John Leslie (Kingston upon Hull, East)
Price, Adam (Carmarthen, East and Dinefwr)
Primarolo, Rt. Hon. Dawn (Bristol, South)
Prisk, Mark (Hertford and Stortford)
Pritchard, Mark Andrew (The Wrekin)
Prosser, Gwynfor Mathews (Dover)
Pugh, John David (Southport)
Purchase, Kenneth (Wolverhampton, North-East)
Purnell, James Mark Dakin (Stalybridge and Hyde)

R

Rammell, William Ernest (Harlow)
Randall, Alexander John (Uxbridge)
Raynsford, Rt. Hon. Wyvill Richard Nicolls (Greenwich and Woolwich)
Redwood, Rt. Hon. John Alan (Wokingham)
Reed, Andrew John (Loughborough)
Reed, Jamieson Ronald (Copeland)
Reid, Alan (Argyll and Bute)
Reid, Rt. Hon. John (Airdrie and Shotts)
Rennie, Willie (Dunfermline and West Fife) [*By-election, February 2006*]
Rifkind, Rt. Hon. Sir Malcolm Leslie (Kensington and Chelsea)
Riordan, Linda (Halifax)
Robathan, Andrew Robert George (Blaby)
Robertson, Angus (Moray)
Robertson, Hugh Michael (Faversham and Mid Kent)
Robertson, John (Glasgow, North-West)
Robertson, Laurence Anthony (Tewkesbury)
Robinson, Geoffrey (Coventry, North-West)
Robinson, Iris (Strangford)
Robinson, Peter David (Belfast, East)
Rogerson, Daniel John (North Cornwall)
Rooney, Terrence Henry (Bradford, North)
Rosindell, Andrew Richard (Romford)
Rowen, Paul John (Rochdale)
Roy, Frank (Motherwell and Wishaw)
Roy, Lindsay (Glenrothes) [*By-election, November 2008*]
Ruane, Christopher Shaun (Vale of Clwyd)
Ruddock, Joan Mary (Lewisham, Deptford)
Ruffley, David Laurie (Bury St. Edmunds)
Russell, Christine Margaret (City of Chester)
Russell, Robert Edward (Colchester)
Ryan, Joan Marie (Enfield, North)

S

Salmond, Alex Elliot Anderson (Banff and Buchan)
Salter, Martin John (Reading, West)
Sanders, Adrian Mark (Torbay)
Sarwar, Mohammad (Glasgow, Central)
Scott, Lee (Ilford, North)
Seabeck, Alison Jane (Plymouth, Devonport)
Selous, Andrew Edmund Armstrong (South-West Bedfordshire)
Shapps, Grant V (Welwyn Hatfield)
Sharma, Virendra Kumar (Ealing, Southall) [*By-election, July 2007*]
Shaw, Jonathan Rowland (Chatham and Aylesford)
Sheerman, Barry John (Huddersfield)
Shepherd, Richard Charles Scrimgeour (Aldridge-Brownhills)
Sheridan, James (Paisley and Renfrewshire, North)
Short, Rt. Hon. Clare (Birmingham, Ladywood)
Simmonds, Mark Jonathan Mortlock (Boston and Skegness)
Simon, Siôn Llewelyn (Birmingham, Erdington)
Simpson, Alan John (Nottingham, South)
Simpson, David (Upper Bann)
Simpson, Keith Robert (Mid-Norfolk)
Singh, Marsha (Bradford, West)
Skinner, Dennis Edward (Bolsover)
Slaughter, Andrew Francis (Ealing, Acton and Shepherd's Bush)
Smith, Rt. Hon. Andrew David (Oxford, East)
Smith, Angela Christine (Sheffield, Hillsborough)
Smith, Angela Evans (Basildon)
Smith, Chloe Rebecca (Norwich, North) [*By-election, July 2009*]
Smith, Geraldine (Morecambe and Lunesdale)
Smith, Rt. Hon. Jacqueline Jill (Redditch)
Smith, John William Patrick (Vale of Glamorgan)
Smith, Sir Robert (West Aberdeenshire and Kincardine)
Snelgrove, Anne Christine (South Swindon)
Soames, Arthur Nicholas Winston (Mid-Sussex)
Soulsby, Sir Peter Alfred (Leicester, South)
Southworth, Helen Mary (Warrington, South)

Spellar, Rt. Hon. John Francis (Warley)
Spelman, Caroline Alice (Meriden)
Spicer, Sir Michael William Hardy (West Worcestershire)
Spink, Robert Michael (Castle Point)
Spring, Richard John Grenville (West Suffolk)
Squire, Rachel Anne (Dunfermline and West Fife) [*Died, January 2006*]
Stanley, Rt. Hon. Sir John Paul (Tonbridge and Malling)
Starkey, Phyllis Margaret (Milton Keynes, South-West)
Steen, Anthony David (Totnes)
Stewart, Ian (Eccles)
Stoate, Howard Geoffrey Alvan (Dartford)
Strang, Rt. Hon. Gavin Steel (Edinburgh, East)
Straw, Rt. Hon. John Whitaker (Blackburn)
Streeter, Gary Nicholas (South-West Devon)
Stringer, Graham Eric (Manchester, Blackley)
Stuart, Gisela Gschaider (Birmingham, Edgbaston)
Stuart, Graham Charles (Beverley and Holderness)
Stunell, Andrew (Hazel Grove)
Sutcliffe, Gerald (Bradford, South)
Swayne, Desmond Angus (New Forest, West)
Swinson, Jo (East Dunbartonshire)
Swire, Hugo (East Devon)
Syms, Robert Andrew Raymond (Poole)

T

Tami, Mark Richard (Alyn and Deeside)
Tapsell, Sir Peter Hannay Bailey (Louth and Horncastle)
Taylor, Dari Jean (Stockton, South)
Taylor, David Leslie (North-West Leicestershire)
Taylor, Ian Colin (Esher and Walton)
Taylor, Matthew Owen John (Truro and St. Austell)
Taylor, Richard Thomas (Wyre Forest)
Teather, Sarah Louise (Brent, East)
Thomas, Gareth Richard (Harrow, West)
Thornberry, Emily (Islington, South and Finsbury)
Thurso, Viscount John Archibald (Caithness, Sutherland and Easter Ross)
Timms, Stephen Creswell (East Ham)
Timpson, Edward (Crewe and Nantwich) [*By-election, May 2008*]
Tipping, Simon Patrick (Sherwood)
Todd, Mark Wainwright (South Derbyshire)
Touhig, James Donnelly (Islwyn)
Tredinnick, David Arthur Stephen (Bosworth)
Trickett, Jon Hedley (Hemsworth)
Truswell, Paul Anthony (Pudsey)
Turner, Andrew John (Isle of Wight)
Turner, Desmond Stanley (Brighton, Kemptown)
Turner, Neil (Wigan)
Twigg, John Derek (Halton)
Tyrie, Andrew Guy (Chichester)

U

Ussher, Kitty (Burnley)

V

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Vara, Shailesh Lakhman (North-West Cambridgeshire)
Vaz, Keith (Leicester, East)
Viggers, Peter John (Gosport)
Villiers, Theresa Anne (Chipping Barnet)
Vis, Rudolf Jan (Finchley and Golders Green)

W

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Walley, Joan Lorraine (Stoke-on-Trent, North)
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Waltho, Lynda Ellen (Stourbridge)
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Williams, Rt. Hon. Alan John (Swansea, West)
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Williams, Hywel (Caernarfon)
Williams, Mark Fraser (Ceredigion)
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Wilshire, David (Spelthorne)
Wilson, Philip (Sedgefield) [*By-election, July 2007*]
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Winterton, Sir Nicholas Raymond (Macclesfield)
Winterton, Rosalie (Doncaster, Central)
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Wright, Anthony Wayland (Cannock Chase)
Wright, David (Telford)
Wright, Iain David (Hartlepool)
Wright, Jeremy Paul (Rugby and Kenilworth)
Wyatt, Derek Murray (Sittingbourne and Sheppey)

Y

Yeo, Timothy Stephen Kenneth (South Suffolk)
Young, Rt. Hon. Sir George Samuel Knatchbull (North-West Hampshire)
Younger-Ross, Richard (Teignbridge)

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Secretary of State for Children, Schools and Families—The Rt. Hon. Ed Balls, MP
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Secretary of State for Defence—The Rt. Hon. Bob Ainsworth, MP
Secretary of State for Transport—The Rt. Hon. Lord Adonis
Secretary of State for Culture, Media and Sport—The Rt. Hon. Ben Bradshaw, MP

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Minister for Further Education, Skills, Apprenticeships and Consumer Affairs—Kevin Brennan, MP §

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Parliamentary Secretary—Dawn Butler, MP

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Siôn Simon, MP

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Kevan Jones, MP

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Ivan Lewis, MP

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Minister for Policing, Crime and Counter-Terrorism—The Rt. Hon. David Hanson, MP

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Meg Hillier, MP
Alan Campbell, MP
The Lord Brett §

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MINISTER OF STATE—Gareth Thomas, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
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Justice—

SECRETARY OF STATE—The Rt. Hon. Jack Straw, MP

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Maria Eagle, MP §

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The Lord Bach
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SOLICITOR-GENERAL—Vera Baird, QC, MP

ADVOCATE-GENERAL FOR SCOTLAND—The Lord Davidson of Glen Clova, QC

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LEADER OF THE HOUSE OF COMMONS, LORD PRIVY SEAL AND MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Harriet Harman, QC, MP §

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The Rt. Hon. Paul Goggins, MP

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Chris Mole, MP

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MINISTER OF STATE—Phil Woolas, MP (Minister for the North West)* §

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EXCHEQUER SECRETARY—Sarah McCarthy-Fry, MP

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Steve McCabe, MP
Dave Watts, MP
Tony Cunningham, MP
Bob Blizzard, MP

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George Mudie, MP
John Heppell, MP
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Mary Creagh, MP
Sharon Hodgson, MP
Kerry McCarthy, MP
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PARLIAMENTARY UNDER-SECRETARY OF STATE—
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Minister for Pensions and the Ageing Society—Angela Eagle, MP

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Helen Goodman, MP
The Lord McKenzie of Luton §

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LORD STEWARD—The Earl of Dalhousie

MASTER OF THE HORSE—The Rt. Hon. Lord Vestey, KCVO

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LORDS IN WAITING—The Lord Tunnicliffe, The Lord Young of Norwood Green, The Lord Brett §, The Lord Faulkner of Worcester

BARONESSES IN WAITING—The Baroness Farrington of Ribbleton, The Baroness Thornton, The Baroness Crawley

§ *Members of the Government with responsibilities in more than one area*

* *Regional Ministers (in addition to other ministerial responsibilities)*

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Ian Austin, MP (Minister for the West Midlands)
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Barbara Follett, MP (Minister for the East of England)
Phil Hope, MP (Minister for the East Midlands)
The Rt. Hon. Tessa Jowell, MP (Minister for London)
The Rt. Hon. Jim Knight, MP (Minister for the South West)
Jonathan Shaw, MP (Minister for the South East)
The Rt. Hon. Rosie Winterton, MP (Minister for Yorkshire and the Humber)
Phil Woolas, MP (Minister for the North West)

SECOND CHURCH ESTATES COMMISSIONER, REPRESENTING CHURCH COMMISSIONERS—Sir Stuart Bell, MP

HOUSE OF COMMONS

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FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS—Sylvia Heal, MP

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS—Sir Michael Lord, MP

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PARLIAMENTARY SECURITY CO-ORDINATOR—Peter Mason

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 501**

FIRST VOLUME OF SESSION 2009-2010

House of Commons

Wednesday 18 November 2009

The House met at twenty-six minutes past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGE TO ATTEND HER MAJESTY

Message to attend Her Majesty delivered by the Gentleman Usher of the Black Rod.

The Speaker, with the House, went up to attend Her Majesty; on their return, the Speaker suspended the sitting.

The sitting was resumed at half-past Two o'clock.

NEW MEMBER

The following Member took the Oath required by law:

William Thomas Bain Esq., for Glasgow, North-East.

OUTLAWRIES BILL

A Bill for the more effectual preventing Clandestine Outlawries was read the First time, and ordered to be read a Second time.

Queen's Speech

2.32 pm

Mr. Speaker: I have to acquaint the House that this House has this day attended Her Majesty in the House of Peers, and that Her Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy.

I shall direct that the terms of the Gracious Speech be printed in the Votes and Proceedings. Copies are available in the Vote Office.

The Gracious Speech was as follows:

My Lords and Members of the House of Commons

My Government's overriding priority is to ensure sustained growth to deliver a fair and prosperous economy for families and businesses, as the British economy recovers from the global economic downturn. Through active employment and training programmes, restructuring the financial sector, strengthening the national infrastructure and providing responsible investment, my Government will foster growth and employment.

My Government will also strengthen key public services, ensuring that individual entitlements guarantee good services, and will work to build trust in democratic institutions.

My Government will seek effective global and European collaboration through the G20 and the European Union to sustain economic recovery and to combat climate change, including at the Copenhagen summit next month.

The Duke of Edinburgh and I look forward to our visit to Bermuda and our State Visit to Trinidad and Tobago and to the Commonwealth Heads of Government Meeting in this, the Commonwealth's 60th anniversary year. We also look forward to receiving the President of South Africa next year.

My Government will continue to reform and strengthen regulation of the financial services industry to ensure greater protection for savers and taxpayers. Legislation will be brought forward toenhance the governance of the financial sector and to control the system of rewards.

As the economic recovery is established, my Government will reduce the budget deficit and ensure that national debt is on a sustainable path. Legislation will be brought forward to halve the deficit.

My Government will introduce a Bill to enable the wider provision of free personal care to those in highest care need.

Legislation will be brought forward to introduce guarantees for pupils and parents to raise educational standards.

My Government will legislate to protect communities by ensuring that parents take responsibility for their children's antisocial behaviour and by tackling youth gang crime.

My Government will introduce a Bill to ensure the communications infrastructure is fit for the digital age, supports future economic growth, delivers competitive communications and enhances public service broadcasting.

Legislation will be introduced to support carbon capture and storage and to help more of the most vulnerable households with their energy bills.

My Government will respond to proposals for high-speed rail services between London and Scotland.

Legislation will be introduced to protect communities from flooding and to improve the management of water supplies.

My Government is committed to ensuring everyone has a fair chance in life and will continue to take forward legislation to promote equality, narrow the gap between rich and poor and tackle discrimination. The Bill would also introduce transparency in the workplace to help address the differences in pay between men and women.

My Government will continue to enshrine in law its commitment to abolish child poverty by 2020.

My Government will legislate to provide agency workers with the right to be treated equally with permanent staff on pay, holidays and other basic conditions.

Legislation will continue to be taken forward on constitutional reform. My Government will also publish draft legislation on proposals for a reformed second chamber of Parliament with a democratic mandate.

A Bill will be introduced to strengthen the law against bribery.

My Government will continue to work closely with the devolved administrations in the interests of all the people of the United Kingdom. My Government is committed to the Northern Ireland political process and will continue to work with Northern Ireland's leaders to complete the devolution of policing and justice and to ensure its success.

In Scotland, my Government will take forward proposals in the Final Report of the Commission on Scottish Devolution. My Government will continue to devolve more powers to Wales.

Members of the House of Commons

Estimates for the public services will be laid before you.

My Lords and Members of the House of Commons

My Government will work for security, stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East.

Legislation will be brought forward to ban cluster munitions.

My Government will work towards creating the conditions for a world without nuclear weapons, including addressing the challenges from Iran and North Korea.

Draft legislation will be published to make binding my Government's commitment to spend nought point seven per cent of national income on international development from 2013.

Other measures will be laid before you.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

Debate on the Address

[1st Day]

Mr. Speaker: Before I call the mover and seconder, I shall announce the proposed pattern of debate during the remaining days on the Loyal Address: Thursday 19 November—education and health; Monday 23 November— Foreign and Commonwealth Office and Ministry of Defence; Tuesday 24 November—Energy and Climate Change and Environment, Food and Rural Affairs; Wednesday 25 November—Home Office and Department for Work and Pensions; Thursday 26 November—Her Majesty's Treasury and Business, Innovation and Skills.

2.33 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I beg to move,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

I confess that I was puzzled as to what had prompted the Chief Whip to choose me to move the Humble Address, but glancing through the current cinema listings I came across a film title that might have brought me to mind. Obviously, it was not "Bright Star"; nor, I hope, was it "The Men Who Stare at Goats"—they are in the House of Lords—but it might well have been a film at the Science museum entitled "Dinosaurs Alive!" Mock ye not—dinosaurs were around for 65 million years and remain very popular with young people. A couple of years ago, the right hon. Member for Witney (Mr. Cameron), the Leader of the Opposition, was reported in the newspapers as saying that he would not be voting with that "dinosaur Frank Dobson". Imagine my glee a day or two later when I found myself in the same Lobby as him. I took the opportunity to welcome him to Jurassic Park.

I am honoured to be invited to open this debate and I am not the first from my constituency to do so. In 1906, this task fell to Sir Willoughby Hyett Dickinson. Conservative Members will be pleased, but not surprised, to be told that he was an old Etonian. Liberal Democrat Members will be pleased to know that he was a Liberal MP. Labour Members will be even more pleased to learn that he later saw the light and joined the Labour party.

My constituency, Holborn and St. Pancras, is an extraordinary place. It includes three mainline railway stations: Euston, the first in London, King's Cross, and St. Pancras. The new St. Pancras International station is a great success. That pleases me, partly because its high-speed link demonstrates a sensible, sustainable alternative to short-haul flights and partly because I was the first person to suggest it. I am pleased for the staff at King's Cross, with the return of the east coast trains to public ownership following the failure of successive private operators.

My area contains the British Museum and the British Library, Sir John Soane's museum, the Foundling hospital museum and the Jewish museum. It is the home of world-famous academic institutions, including University college, the School of Oriental and African Studies, the Institute of Education, the London School of Hygiene and Tropical Medicine and the Royal Veterinary college, of which I am privileged to be the Privy Council governor.

The Royal Academy of Dramatic Art, which is also in my constituency, has trained generations of actors, few more brilliant and famous than my hon. Friend—and my good friend—the Member for Hampstead and Highgate (Glenda Jackson). Birkbeck college was and remains unique, a top-flight college that serves part-time students. The Working Men's college in Camden Town gives a chance to people who previously missed out, and our local schools do a remarkable job for local children and young people. We also have the headquarters of the TUC and many trade unions, great and small. For political balance, we also have the headquarters of the CBI.

My constituency contains hospitals of world renown: Great Ormond Street hospital, the national hospital for neurology and neurosurgery, and the new University college hospital, in which I had a bit of a hand when I was Secretary of State for Health. It includes the institutes of neurology and child health, the Royal College of Physicians, Cancer Research UK, the Wellcome Trust and the British Medical Association.

Time does not permit me to mention many of the famous people who have lived in Holborn and St. Pancras, but I am proud to represent my fellow Yorkshireman Alan Bennett and to have represented the late great Kenneth Williams. A few weeks ago, I helped unveil a plaque to Kenneth Williams. Following the first burst of applause at the ceremony, the curtains of a window further up the house were parted by a man woken from his Sunday lie-in and clearly puzzled by all the noise. As befits an event to commemorate a star of the "Carry On" films, the puzzled neighbour was stark naked.

MPs have embarrassing moments, but for me one stands out from all others. I went one day to the Bengali Workers Association Surma centre, where I was met by a young woman I had met several times before. She was wearing a shalwar kameez and to my surprise she was on crutches. So, in the way one does with young people on crutches, I jovially inquired, "What have you been doing?" "Don't you know?" she asked. "No," I said. "You really don't know?" "No, honest I don't." "I've had my leg amputated," she said. My jaw dropped so far that she laughed at my discomfiture.

The character of Holborn and St. Pancras is coloured by the radical, often revolutionary nature of people who were born, or who lived, died or are buried, in my constituency. They include Captain Coram, who established the Foundling hospital and who is described on his statue as "Pioneer of Child Welfare". What better obituary could anybody want?

Mary Wollstonecraft, author of "A Vindication of the Rights of Women", lived in Somers Town. She died there giving birth to her daughter, later known to the world as Mary Shelley, whose character Frankenstein is better known than all the images created by all the famous male authors and poets who patronised both her and her mother.

Marx and Engels both lived in Holborn and St. Pancras. Marx is joined in Highgate cemetery by one of the greatest scientists and inventors the planet has ever known, Michael Faraday. The Elizabeth Garrett Anderson

[Frank Dobson]

hospital for women, named after the first English woman doctor, was in my area, and the Marie Stopes clinic is still giving advice on family planning and sexual health.

Regrettably, I have to report that one Holborn resident in 1812 took what we must all agree was unacceptable action. He was called John Bellingham and he shot the Prime Minister, Spencer Perceval, here in the Lobby of the House of Commons. I know that the hon. Member for North-West Norfolk (Mr. Bellingham) is a descendant. However, in shooting him in the House of Commons, he rendered Spencer Perceval the only man in history who has been assassinated on Lobby terms.

A much more recent victim of assassination was Ruth First, the anti-apartheid campaigner murdered by the South African secret police. She lived in Camden Town with her husband, Joe Slovo, who went on to become a member of President Mandela's Cabinet. I had the honour to preside over the unveiling of a plaque to both of them by Nelson Mandela himself.

On an earlier occasion, I had had an appointment with President Mandela at the South African high commissioner's residence. I had met him before that, but only as part of a group, so I did not expect that he would know me from Adam. He greeted me with the words, "Hello, Frank. It's good to see you again." The "again" was clearly a product of the briefing supplied by the high commissioner, but then he put his hand on my shoulder and said, "You do remember me, don't you?"

I take particular pride in my constituency's association with the anti-apartheid movement. It was founded 50 years ago this year, at a meeting in Holborn hall. Its first leafleting took place outside Camden Town underground station, and its headquarters were always located in my constituency.

There are great privileges in being a Member of Parliament, but the greatest for me was to be able to sit with my wife and see Speaker Betty Boothroyd help Nelson Mandela down the steps in Westminster Hall for him to address both Houses of our Parliament as the democratically elected President of multiracial South Africa.

Another source of pride is the house in Guilford street where Nye Bevan lived with Jenny Lee, and where there should be a blue plaque describing him as the founder of the NHS and her as the founder of the Open university—a family double unlikely to be rivalled ever again. When it was the 50th anniversary of the NHS and I was the Health Secretary, I wanted to have Nye Bevan on the commemorative stamp, but the establishment would have none of it.

That takes me on to another MP who should be an example to us all—my predecessor, Lena Jeger. She never got ministerial office but she achieved more than most Ministers do in a lifetime. The causes that she espoused are now part of a general consensus, but they did not start that way. She was derided and made the subject of vicious personal attacks when she took up campaigning for causes that, over the years, included equal rights for women, equal pay, abortion rights, Cyprus independence and anti-apartheid, and she also campaigned against the death penalty and the dangers of smoking.

I have to say that Lena did not let those things distract her attention from the day-to-day needs of her constituents. She used to retell the tale that at her by-election in 1953 she was canvassing the top flat of a block in Camden Town. She launched into the great left-wing issue of the day—German rearmament and the threat it posed to international security. She stopped for breath, and the woman at the door asked, "Did you come up in the lift?", and Lena says, "Yes." "Stinks of pee, doesn't it?", says the woman. "Yes," says Lena. "Can't you stop 'em peeing in our lift?", says the woman. "I don't think I can," says Lena. "Well," says the woman, "if you can't stop 'em peeing in our lift, how can you expect me to believe you can stop the Germans rearming?" A timeless lesson for us all.

The population of Holborn and St. Pancras is the product of centuries of migration. People from all over Britain have moved into our area for centuries and still do, just as I did. Black slaves who had jumped ship congregated in Covent Garden. They were followed by Irish people. Refugees from revolutionary France crowded into Somers Town. Jews fleeing oppression in eastern Europe were followed by others escaping from Hitler's Germany. Italians came to Holborn and Clerkenwell in the 19th and 20th centuries. Waves of Irish came to Camden Town and Kentish Town, followed by Greeks and Turks from Cyprus and people from the Caribbean. In more recent times, large numbers of Bangladeshis have settled in the area, and the most recent arrivals are refugees from the war-torn Horn of Africa.

Over the decades, many of those groups have displayed a remarkable degree of self-help, none more so than the Hopscotch Asian women's centre—once mocked from the platform at a Tory conference, until it was embarrassingly revealed by yours truly that the centre had a large annual grant from the then Tory Government and had Princess Anne as its patron.

The word "multicultural" is inadequate to describe the area and the people I represent, but by and large we manage to rub along together, even in the face of the bomb outrages of 7 July at the underground at Russell square and the bus on Tavistock square. The response of the emergency services, the staff of London underground and local people was quite magnificent. The murderous outrages and the response to them left me both deeply saddened and very proud.

As you know, Mr. Speaker, it is not my job to go through the measures announced in the Queen's Speech, but I would welcome any Bill to clamp down on bankers' pay. Some say that we must not be too hard on the bankers. I agree—it is impossible to be too hard on the bankers. Their industry only exists today because of taxpayers' bail-outs or taxpayers' guarantees—or both—and that should give taxpayers a permanent say in what happens from now on.

Finally, this has been a bad year for the House of Commons, but I remain proud to be a Member. There is no greater honour in politics than to be an elected representative of the people. Sometimes I am asked what is the best thing that has happened to me in my political life. I always say, "Being elected to represent the people who live in Holborn and St. Pancras, to try to further their interests, meet their needs and reflect their concerns." When I say that, I mean it. Being an MP is a demanding and difficult task. It is impossible to

please everyone. It is hard work. It can be fun, but at other times it is dreary. It can be rewarding, but more often it is frustrating.

It is more than 30 years since I gave up a much better-paid job to stand proudly as the Labour candidate for the area I live in. The people of Holborn and St. Pancras have elected me to represent them in seven successive Parliaments and I am hoping they will do the same for an eighth. We must all always remember who sent us here and why they sent us here. They want us all to tell the truth, to say what we will do and then do what we say. If we stick to that, we cannot go wrong.

2.49 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): It is an honour and a privilege, not only for me but for my constituents in Islington, South and Finsbury, to be asked to second the Loyal Address. I was also delighted to hear that I was to be doing a double act with my good friend and western neighbour, my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson).

It is very strange to be a Back Bencher and to speak in this Chamber when it is so packed—and when everyone is so well behaved. I am used to being in this Chamber when there are only about half a dozen of us present, and even then, things can get pretty heated. I was fully expecting a parliamentary punch-up when I advocated the rights of lesbian mothers, but I was amazed at the passion I aroused during the fisheries debate. All I said was that the sea belonged to the children of the inner cities, too. I had been visiting Islington schools to talk about the Marine and Coastal Access Bill and some children had written to me about it, so I took some of their work into the Chamber. I took, for example, a new version of the Pink Floyd hit "Another Brick in the Wall", which went like this—do not worry, Mr. Speaker, I am not going sing; I know that, even under the new modernising regime, I am not allowed. It went:

"We don't need no grilled fish fingers,
We don't need no cod 'n' chips,
No pointless murder of the dolphins,
Dredgers leave them fish alone.
Hey! Dredgers! Leave them fish alone.
All in all they're not just another fish in the sea.
All in all they're not just another fish in the sea."

For some reason, it was not a universal hit with the salty old sea dogs in the fisheries debate, but I do not believe that we can complain about kids not engaging in politics if we do not make the effort to listen to them.

I recently asked a group of 10-year-olds how they thought I got my job. "Did you apply for it in writing?" No. "Did you go on a course?" No. "I know, miss, I know—did you marry Tony Blair?" No, that arrangement really would not have suited either of us. However, it was for a school visit to Parliament that I cycled in early on the morning of 7/7, unknowing as I did so that I cycled through Russell square just after the first bomb exploded and just before the second. I had only been elected a few weeks previously, and I will never forget that day. In the next few weeks, I worked closely with my right hon. Friend and leant on him heavily, as I did on my good and hon. Friend the Member for Islington, North (Jeremy Corbyn); I shall always be grateful to them for their help. We visited the sites of the bombings and did our best to hold our communities together—and they did hold together, because in Islington and Camden, our diverse peoples not only get on with living together, but they like it that way.

Islington is home to people from all over the world and from all backgrounds. We are not just cappuccino bars and Georgian squares, awash with the chattering classes and the birthplace of new Labour: we are more than that. At my recent surgery, people from 17 countries came along. We have a large gay population and gay weddings are held at the town hall every Saturday. We are a tolerant community. We tolerate the bankers living among us; we tolerate the journalists living among us; and my constituents even put up with the large number of the biggest social pariahs of all: Members of Parliament. Believe it or not, there was a time when four Labour women MPs lived in my ward, and famously, for a few hours in 1997, the new Prime Minister lived there too.

Of course, it is not just MPs on the Labour side of the House who live there. I see a number of Opposition Members looking slightly uncomfortable at the turn my speech has taken, but they can be assured: I am discreet and I will not out them as members of my constituency. However, I say to them, "The next time you are invited to a coffee morning, please come—you're very welcome and you can be assured that the coffee will be fair trade."

Alongside those from a range of backgrounds, we have extremes of rich and poor. My constituency is the poorer half of the eighth most deprived borough in Britain. That is why areas such as mine need a Labour Government on their side. All the social housing has been done up under the decent homes programme; all my secondary schools are new or have been rebuilt; we have new buildings for the best sixth-form centre in London; and we have world-class hospitals—several of them—looking after my constituents.

The assumptions made about Islington, South are only part of its story, and sometimes the assumptions made about its MP are only part of her story, too. They say that I am posh, and to a certain extent, I am. I worked for 20 years as a barrister, I am married to another barrister and, of course, I am an MP. Quentin Letts says that I am "magnificently county" and has even called me "scrumptious", but I was pleased to be Lettsed, because you have not really made it as a Labour woman MP if you have not had Quentin Letts be really rude about you in the *Daily Mail*.

It could be said that I am county, but it is true only insofar as the large council estate on which I was brought up was 4 miles outside Guildford. Having been thrown out of our house by the bailiffs in their bowler hats, we were homeless and destitute, and we were saved by social housing. My mum was a single parent who was caught in a poverty trap. She struggled on benefits, bringing up my brothers and me when we were little. It still would have been hard, but without doubt, the minimum wage, tax credits, nursery provision and flexible hours would have really helped my mum get out of the trap that she was in. Of all the things that Labour has done, that is what I am most proud of.

Later in life, my mum became a Labour councillor—one of the few in Guildford—and the Tory council kindly named a road in her ward after her: Thornberry way. It

[Emily Thornberry]

runs from the sewage works to the dump, but we were chuffed. The two secondary schools I went to have both had fresh starts as academies. The first—a secondary modern—never really expected a lot of us 11-plus failures. I remember asking my careers teacher what he thought I would do with my life. He said that he was not really sure, but perhaps I would spend some time visiting people in prison. Whatever he meant, I am sure that he did not expect that I would become a criminal barrister and do an awful lot of prison visiting that way. I qualified as a barrister during the miners' strike, and I found myself going up and down on the train to the coalfields. I represented good men and women who were criminalised by the strike. I read a lot about solidarity as an earnest young radical, but it was my experience of the miners' strike that taught me what solidarity really means.

My early life informed my politics, and I have always been driven by a desire to make life fairer. The only party I could ever have joined was Labour, so here I am—posh or not—proud to serve my community as a Back-Bench MP of a Labour Government. The MPs who represented Islington, South and Finsbury before me have been as remarkable and varied as the constituency itself. Finsbury elected the first Asian MP 117 years ago: Dadabhai Naoroji, who was elected with a majority of just five. In Parliament, MPs found "Naoroji" too difficult to pronounce, so they called him "Mr. Narrow Majority". I think I have a bit of an affinity with him, and although he was a Liberal, I forgive him, because the Labour party had not been invented then. More recently, Chris Smith was the first openly gay MP—he was our MP—who later became a Cabinet Minister: the first out Cabinet Minister in the world.

Although I am the constituency's first woman MP, there is an eastern corner of my patch where that is nothing new. In the 1920s and '30s, Islington, East elected three women in a row. They liked their women representatives so much that the third one—Thelma Cazalet—was even a Tory. I do not think that she was a real Tory, however, because she was a member of the Fabian Society and, during the war, she successfully amended a clause of Butler's Education Bill, so that women teachers could be given equal pay. Churchill was so furious that he got rid of the whole clause, so the House can see that she was not really a Tory. In fact, these days, she would probably be on our side, being attacked by Quentin Letts as one of Harriet's harpies.

I like to think that Thelma Cazalet and Dadabhai Naoroji would have voted with us to tackle bankers' bonuses, to look after our elderly, with social care for the most vulnerable, and to right international wrongs, compensating British citizens injured in terror attacks overseas, and banning cluster munitions. These are bold and optimistic plans in the Queen's Speech, and I welcome them. Above all, however, we must safeguard our world from climate change, yes, with support for new ways of tackling the problem such as carbon capture and storage, but the most serious work in the next six months that the Government can do will not be in Parliament but in Copenhagen. It will be a challenge to broker a deal—and we may not get what we hope for immediately—but our children will never forgive us if we do not fight for it. I am sure that the whole House will wish the Prime Minister a successful outcome to the summit this December. We must face these challenges with courage and optimism, and we will do so. I commend the Gracious Speech to the House.

2.59 pm

Mr. David Cameron (Witney) (Con): Let me start by congratulating the mover and seconder of the Loyal Address. It is traditional for the mover of the Loyal Address to be serious, wise and loyal. At any one time, we can always count on the right hon. Member for Holborn and St. Pancras (Frank Dobson) to be at least two of those three. I think that today, he was all three and, into the bargain, extremely amusing. I was always told that his jokes were the sort of thing that could never be told until long after the watershed, but today he proved us wrong. I particularly enjoyed his reference to the former Member of Parliament, Bellingham, whose ancestor sits on the Conservative Benches—[Hon. Members: "Ancestor?"] Sorry. When it comes to assassinating sitting Prime Ministers, he had a much better aim than the current Foreign Secretary.

The right hon. Gentleman demonstrated a passion for politics and a love of his constituency. He was once briefly tempted to give up representing that one part of London, and instead to try to represent all of it. We all know what happened next. It was a two-horse race and the right hon. Gentleman came third. I gather that once Ken Livingstone announced that he was to become a candidate, it was a very tense time for new Labour. I have done my research about what happened. Apparently, there was a desperate search for

"a glamorous figure who could stop 'Red' Ken".

They approached Joanna Lumley. She turned them down, so naturally the next choice was the right hon. Gentleman And so it was that Labour went from absolutely fabulous to absolutely disastrous.

To give the right hon. Gentleman credit—I thought his speech today was great—he has never let anyone change his image. Labour spin doctors tried to get him to shave off his beard, and with characteristic modesty he said, "If it was good enough for Abraham Lincoln, it is good enough for me." He may not have given us the Gettysburg address this afternoon, but I thought it was pretty good stuff.

The hon. Member for Islington, South and Finsbury (Emily Thornberry) also did an excellent job The Schools Secretary, even in the friendly bit of her speech, had to chunter all the way through. It is a good example which, I am sure, will be in his educational guarantees.

The hon. Lady, seconding the address, showed her passion for the issues that really matter to her in politics. I have done my research, and she has always had a keen sense of timing. As she indicated, she saw Tony Blair heading to Islington and she moved into the same street. Just as Tony Blair's star was fading, she switched to the Prime Minister. More recently, I thought I had started to notice something different. I saw her in New Palace Yard, cycling to work. More than that, I gather that she has been to the Arctic circle and taken a sledge ride with huskies. The move to Notting Hill can only be months away, though given what she said, I know that I will be extremely pushed to get her to second the Loyal Address next year.

However, the hon. Lady needs to brush up on her geography. I did my homework and I found this on a BBC website: she spent the day campaigning in the Norwich, North by-election, rushed on to the television and said how much she had enjoyed canvassing in Ipswich.

Both the proposer and the seconder of the Loyal Address rightly mentioned the 7/7 atrocities. They paid tribute to the emergency services, and we should all pay tribute to the incredible resilience that their constituents showed. We should never forget what happened. The politics of the hon. Lady's constituency is, I understand, a vicious dogfight between Labour and the Liberal Democrats. I understand that she was so fed up with what many of us have had to put up with—the inaccurate leaflets, the false claims, the bitter attacks—that she took legal action, forced them to apologise and received a four-figure sum in compensation. For that result—[HON. MEMBERS: "Hear, hear."] I was about to say that for that result she would have the support of hon. Members on both sides of the House.

The hon. Lady will need some of that steel as she defends that wafer-thin majority, given that her appearance at a recent climate change concert may not have been wise. It was a very good idea to go; it might not have been such a good idea to sing. I thought she was about to sing again this afternoon. The choice of song at the concert was John Denver's—this is at a climate change concert—"Leaving on a Jet Plane". It gets slightly worse, as the opening lyrics of the song are, "All my bags are packed I'm ready to go". But whatever happens, we all wish her well following her great speech today.

I take the opportunity to welcome to the House the new hon. Member for Glasgow, North-East (William Bain) and to congratulate him on his election success. I remember asking the wizards in Conservative central office what our prospects were in Glasgow, North-East. They consulted one of those Experian databases and found that the sum total of people in Glasgow, North-East who share the Conservative outlook was 97, so I was rather pleased that we got 1,000 votes. I expect that we will see the hon. Gentleman back in the House after the next election. I am sure there are many things that we will disagree about, but one thing on which I hope we will always agree is that we should never do anything to break up our United Kingdom.

Before turning to the Queen's Speech, let me turn to two international matters: Afghanistan and Copenhagen. Last weekend, we had two further reminders of the sacrifices that our armed forces are making on our behalf, and we will all want to pay tribute to Rifleman Andrew Fentiman, from 7th Battalion the Rifles. He was a member of the Territorial Army who volunteered to serve in Afghanistan. We should also pay tribute to Corporal Loren Marlton-Thomas, from 33 Engineer Regiment. They both died serving our country; we should honour their memory; we should look after their families; we should never forget what they have done for all of us.

We not only support our forces in Afghanistan but we support the reason why they are in Afghanistan, and that is to help deliver security and to stop Afghanistan from once again becoming a haven for terrorists. But we must be clear about the future and about the different options that we face. One option, favoured by some, is an immediate withdrawal. I do not believe that that would be in our interests. The Taliban would take a large part of the country; there would be a danger of new terror training camps; it would imperil Pakistan, which is, after all, a nuclear power; and, it would be incredibly damaging to NATO and to our vital alliance with the United States.

The second option, the status quo, is also unacceptable. We cannot go on as we are, taking ground, sometimes at great cost, only to relinquish it later to the Taliban. Over a year ago, the Prime Minister told us how our troops had heroically delivered a generator to the Kajaki dam, but 15 months later that generator is still not working and, frankly, that dam is almost as dangerous as ever. So, more of the same—two steps forward, one and a half steps back—is just not tenable. We cannot carry on doing for the next eight years what we have been doing for the last eight years. Is not the right option, as General McChrystal recommends, a military surge to protect the populated areas and increase the rate at which we train up the Afghans, that is combined, vitally, with a proper political strategy?

That political strategy must place a much greater emphasis on dealings with provincial and district leaders, and involve a much tougher approach to President Karzai. The strategy must be accompanied by the appointment of a strong international figure to help drive it forward, and it should be combined, in our view, with the establishment of a permanent group of Afghanistan's regional neighbours. Last week, the Prime Minister said that he expected an announcement from Washington within the next few days. That was immediately corrected by the White House. I hope that the Prime Minister will tell us when he now expects that announcement to be made, and that he is fully involved in all the consultations.

On the vital matter of climate change, we desperately want the Government to succeed at Copenhagen. I believe that the Prime Minister is right to go personally to Copenhagen, and I hope that other world leaders will do the same. Does he agree that what is required is not a partial accord or a political declaration, but a full agreement with immediate, practical effect?

Let me turn to the Gracious Speech. There were some good things in it, such as home school contracts and transparency over pay, not least because they were proposed from these Benches. The Gracious Speech even says that the Government will "respond to proposals" on high-speed rail. I was glad to see that, because they were our proposals in the first place. What is most striking about the speech, however, is what is missing from it.

The Prime Minister has just made a great long speech about immigration, but where is the immigration Bill in the Queen's Speech? Last year, he promised regulatory budgets to relieve the burdens on business. He told us that they

"could transform the culture of Whitehall".

Well, where are they?

The highlight of last year's programme, once again taken directly from the Conservatives, was directly elected police representatives, whom the Prime Minister promised us would

"give local people more control". —[*Official Report*, 14 May 2008; Vol. 475, c. 1388.]

[Mr. David Cameron]

Where have they gone? They are not in the Queen's Speech. What about the three letters that should be in any Queen's Speech: NHS? Not a mention. It is clear that the national health service is not this Government's priority.

Clive Efford (Eltham) (Lab): Will the right hon. Gentleman give a cast-iron guarantee, like his shadow Chief Secretary to the Treasury on Sky News today, that anyone suspected by their GP of suffering from cancer will be seen by a specialist within two weeks?

Mr. Cameron: Everyone wants people to be seen by specialists within two weeks. Everyone wants to see hospital treatments happen quickly. We support the NHS constitution—indeed, it was suggested from these Benches. Basically, the Prime Minister is trying to legislate on a whole series of ideas, saying that virtue is good and then daring his opponents to vote against them. Well, we are not falling for that one. So his election campaign has just collapsed—perhaps we could now get on with the election. If this dividing line is so important, why is it not in the Queen's Speech? There is no mention of the NHS, and no mention of this vital dividing line. This Prime Minister is so incompetent that he failed to put his own dividing line into his own Queen's Speech.

Then there is the biggest omission of all, and frankly it will infuriate the British people whom we are here to represent. The Prime Minister said—hon. Members will remember this—that the whole reason for delaying the election, the whole reason he could not go to the country in the summer, was that he wanted to clean up the mess of MPs' expenses. Yet there is no mention of expenses or the Kelly report in the Queen's Speech. To implement Kelly—to clean up expenses—11 separate measures still need to be passed into law. So where is the legislation? Where are the laws that we were promised? Why are they not in the Queen's Speech?

Let me make this offer to the Prime Minister: if he brings forward legislation to implement the rest of Kelly we will support it and help him to pass it through this House and the House of Lords. I will give way to the Prime Minister so that he can stand up and say that he will bring forward this legislation and together we can take it through Parliament. Will he do it? No. No one watching will understand why this vital work is not being done in this Parliament. Why do we not show them that we meant what we said? Instead of the measures in the Queen's Speech—most of which will not become law by the next election—the expenses changes, the Kelly changes, could become law by the next election.

Let me give the Prime Minister another chance, now that he has finished consulting the Leader of the House. Let him stand up now and tell us that together we can pass the laws to implement Kelly in full. He tells us that he is serious about cleaning up politics, but when it comes to the crunch—absolutely nothing. What is the point of this Government? What else has the Prime Minister got to do? This is the shortest Queen's Speech since 1997. They have run out of money, they have run out of time, they have run out of ideas, and we have just seen from the Prime Minister that they have run out of courage as well.

The background to this speech is that we face the most difficult circumstances for our country for a generation. More than anything else, there is an economic crisis, with the longest recession since the war and the worst public finances in living memory. The budget deficit—*[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the right hon. Gentleman, but there is far too much chuntering from a sedentary position taking place on the Government Back Benches and, I am sorry to say, on the Front Benches. The Leader of the Opposition must be heard.

Mr. Cameron: The Children's Secretary is incapable of sitting quietly in class. It is something that he expects in every class across the country, but he cannot even stick to his own rules.

All that the Prime Minister says about the deficit in the Queen's Speech is that he is going to legislate to halve it, but there is not a single new measure to make that happen, so how is it going to work?

Rob Marris (Wolverhampton, South-West) (Lab): Will the right hon. Gentleman give way?

Mr. Cameron: Perhaps the hon. Gentleman can tell me how this is going to work and whether he supports specific measures to cut the deficit.

Rob Marris: The right hon. Gentleman has said that he is against big government. Could he give an indication, in terms of Government spending as a proportion of gross domestic product, of what he thinks the right size of government should be in, say, five years' time?

Mr. Cameron: We face a catastrophic situation at the moment where we are borrowing 14 per cent. of our GDP and our GDP is still shrinking. What is required is some political leadership—not setting some meaningless target as the Prime Minister is doing, but actually saying what the tough decisions are that we are going to take. The contrast between our side and his side is this: on the question of public sector pay, we have said what we would do, and on the question of pensions, we have said what we would do, but this Government, who have the biggest budget deficit in our peacetime history, have absolutely nothing to say, and he should be ashamed of that.

Judy Mallaber (Amber Valley) (Lab): Does the right hon. Gentleman think that it is a tough decision to give a huge tax giveaway to multi-millionaires by cutting inheritance tax? Is that what he means by a tough decision?

Mr. Cameron: If cutting inheritance tax is such a bad idea, why have this Government done it last year and this year?

As the economist who actually served the Bank of England says on the front page of the *Financial Times* today, the Prime Minister's plan to halve the deficit simply by passing a law is a complete "con". To address this issue directly would have been in the best traditions of the Prime Minister's party. In the past, Labour Prime Ministers such as Callaghan and Labour Chancellors such as Jenkins did in the end try to do the right thing,

not the popular thing. They actually started to try to mend the country's finances after the irresponsible spending spree of a Labour Government. Why will this Prime Minister not do the right thing? Why will he not think about the national interest?

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Will the right hon. Gentleman, if he gets the opportunity, keep the promise to increase the number of battalions, and if so, how will he fund that?

Mr. Cameron: We are in no doubt that there are enormous amounts of waste across the Ministry of Defence, which is now bigger, in terms of manpower, than many parts of the armed services. I must tell the hon. Lady that we have made the tough choices on public sector pay, on pensions and on benefits.

What we have in Britain today is an Opposition behaving like a Government, and a Government behaving like an irresponsible Opposition. One Cabinet Minister this week said it himself: he boasted that this was intended to be the most political Queen's Speech of the past 12 years. This lot are actually proud of the fact that, instead of trying to govern in the national interest or pass laws to improve the lot of the country, all they are trying to do is embarrass the Conservative party. What a pathetic way to run a Government.

The great irony is that the Government are not even very good at these dividing lines. Remember what happened to the last dividing line—the one we had in the summer? Week after week, they boasted about Labour investment versus Tory 10 per cent. cuts. Then we saw their leaked Treasury documents. What did they have plans for? Ten per cent. cuts! Only this Prime Minister could draw a dividing line and find himself on the wrong side of it.

This Queen's Speech is a time to judge this Government not only on the past 12 years, but on the past two and a half years that this Prime Minister has been in charge, and there can be only one conclusion: this Government have been a monumental failure. Every promise he has made has turned to dust. He promised full employment, but in fact unemployment is half a million higher than when he became Chancellor. He promised to make Britain the great global success story of this century, but our economy has just been overtaken by Italy. He promised 3 million new homes—that was his big boast when he became leader—but house building in England today is at its lowest level since 1947. Think back to those big promises he made on the steps of Downing street—that his Government would be a Government of all the talents; that he would always be prudent on the economy; and that his moral compass would guide him in everything he did. Each of those claims has been completely discredited.

Let us take the Government of all the talents, to which the right hon. Member for Holborn and St. Pancras referred. Where are they now? No longer tethered to the Government, they have wandered off. Where is Lord Carter now, the digital guru? He is a management consultant. Lord Malloch-Brown—the great UN expert—is now an adviser to Global Redesign. Then there is Lord Digby Jones. He is now back in business, but at least he is still making speeches. I have, for the sake of greater accuracy, obtained a copy of his latest effort. This is what the Minister that the Prime Minister appointed has to say:

"today we have a tired, stale Government...It's a big, big six months ahead...a General Election...cannot come too quickly."

Looking back on his period in government, he had this to say:

"The trouble with Socialism",

he said, having seen it work from the inside, is that pretty soon

"you run out of spending other people's money."

I could not have put it better myself.

Darzi, Carter, Vadera, Malloch-Brown and Digby Jones are all gone. The only jobs that this Prime Minister has created are for his cronies, all of whom have repaid his generosity by leaving his Government at the first opportunity while, of course, keeping their well-upholstered seats in the House of Lords. Never has so much ermine been wasted; never have so many stoats died in vain. Never mind jobs for the boys: under this Prime Minister, it is stoats for the GOATs.

The Prime Minister's main promise on the steps of Downing street—indeed, his whole qualification for the job—was his economic stewardship, but everything he has told us has turned out to be wrong. He promised an end to boom and bust, but in fact he has delivered the longest and deepest bust since records began.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab) *rose—*

Mr. Cameron: Ah. Let us see if this one is ready for some ermine.

Jim Sheridan: This Government are committed to halving the deficit over the next four years. If the right hon. Gentleman has a plan to cut the deficit faster, could he tell us when it will happen and by how much?

Mr. Cameron: Let us be clear about the aim of halving the deficit. Next year the deficit is forecast to be 14 per cent. When Denis Healey was Chancellor and Britain nearly went bust, it was 7 per cent. So under this Prime Minister's magnificent plan to halve the deficit, we will be back to where we were—virtually bankrupt—last time Labour wrecked our economy.

As for who has a plan to cut the deficit, I am sorry to have to repeat myself, but who has made the tough choices on pensions, on public sector pay and on benefits? It is the Opposition who are behaving like a Government—not the Government, who are behaving like an Opposition. The Prime Minister said that we would lead the world out of recession. Do we all remember that one? In fact, the rest of the world—the US, France, Germany and the eurozone—are all out of recession and we are still in it.

The Prime Minister's specialism is meant to be financial services, regulation and the future of banking, but we have had the biggest bank bail-out in the world; the biggest bank run in Europe; and, proportionate to the size of our economy, more support pumped into the banking system by taxpayers than any other major economy. And after all that, the verdict from the Governor of the Bank of England is that there has been little real reform. What was supposed to be this Prime Minister's greatest strength has turned out to be his greatest weakness. The financial services Bill in the Queen's Speech today will not help, as it keeps the failed tripartite system in place. That system needs to go and, under a Conservative Government, it will.

[Mr. Cameron]

What about the great moral compass we were promised? In the last three years, we have had slogans taken directly from the British National party about British jobs for British workers; we have had the Prime Minister's personally appointed Downing street spokesman smearing members of the Opposition; and, with the abolition of the 10p tax band, we have had a Labour Government hitting the lowest earners in our country. I have to say to Labour Members that if they thought that the abolition of the 10p tax was bad, they just need to wait for the small print of the Government's new care service. The Government are planning to scrap the benefits on which millions of elderly people rely—attendance allowance and disability living allowance. We will fight that every step of the way.

The last two years have not only been a moral failure for the Prime Minister. They have been a monumental failure for our country. If we are to ensure that that failure is never repeated, we need to understand the reasons behind it. There is the Labour belief that the answer to every problem is more big government and more spending. We have seen the welfare budget rise, but the poorest in our country have got poorer and there are more of them. We have seen the budget for affordable housing quadruple, but the number of new social homes built in Britain has been cut in half. The next failure is the belief under this Government that Whitehall always knows best, so we have had nearly 50 criminal justice Acts and more than 3,000 new offences, but violent crime is up by nearly 70 per cent. We have seen nearly £1 billion spent on truancy initiatives, but the number of children skipping school is up by 45 per cent.

The greatest failure of all can be traced directly back to this Prime Minister—political calculation dressed up as a moral conviction. When we look behind the curtain of the great, clunking machine of this Government, all we see is someone frantically pulling levers and pushing buttons—not in an effort to improve the country, but in a desperate attempt to relaunch his failing political career and somehow get one over on his opponents.

Instead of some half-baked Queen's Speech and a delayed general election, we need an immediate election and a real Queen's Speech. A real Queen's Speech would acknowledge just how broke this country is and have a proper plan to reduce the deficit. We are not just talking about the deficit: we are setting out what should be done about it. Yes, we will take out the waste—the bureaucracy, the ID cards and all the Labour nonsense—but we have made the tough choices too. A real Queen's Speech would acknowledge the tragedy of unemployment, with one in five young people not getting a job, and introduce a proper welfare reform, involving the private and voluntary sectors and paying them by results. A real Queen's Speech would not tinker with the education system, but would break open the state monopoly, allowing new schools to be set up and giving parents more choice. A real Queen's Speech would mean real reform of our NHS to ensure real choice for patients and real transparency, with health outcomes published online so that doctors are accountable to their patients.

Instead, we have a Queen's Speech that is just a Labour press release on palace parchment. The Prime Minister is not legislating on the measures that the country needs: he is desperately trying a few tricks to save his own skin. When the country is crying out for change, are we really going to be subjected to six more months of endless relaunches, bogus legislation and these fake dividing lines that he keeps going on about? The simple fact that even this country cannot ignore is that some time in the next six months the Prime Minister is going to have to stop dithering, leave the bunker, go to the palace and finally request what we have been demanding for the last three years: a dissolution and a general election. Instead of wasting the country's time and inflicting further damage, why does he not just get on with it?

3.25 pm

The Prime Minister (Mr. Gordon Brown): Let me start this speech by paying tribute, as the Leader of the Opposition did, to the two members of our armed forces who have died in Afghanistan in the course of the last week: from 7th battalion, Rifleman Andrew Fentiman, who was on attachment to 3rd Battalion The Rifles; and from 33 Engineer Regiment, Corporal Loren Marlton-Thomas. In our thoughts and in our prayers, we will r[illegible] their brave service to our country. Let me spea[illegible] all of us who will contribute to the Queen's Speech debates in the coming days by paying tribute to the outstanding and selfless contribution and the courage of all those who serve in our armed forces, particularly those who serve in Afghanistan. They fight on foreign soil so that we will be safer on British streets. Let us pay tribute also to the families who sustain them, and the communities who support them. Their missions and their sacrifices for our country will not be forgotten.

Let me reiterate our determination to deal with the terrorist threat to our country. Let me explain to the House how the conditions that we have set for the next stage of our work in Afghanistan, in which Afghans will take more control of their affairs, are being met. Let me also explain that, while our strategy is exactly the same—to defeat al-Qaeda and to ensure that the Taliban cannot return to power in Afghanistan—the approach that we are taking after the McChrystal report and after the pressure that we have exerted in the last 18 months for change means that that pressure is being brought to bear in an effective way.

Yesterday, I spoke to President Karzai. He and his Defence Minister have agreed to provide 5,000 Afghan troops, who will be trained in Helmand. They will partner the British forces and be mentored by them. This will allow Afghan forces to hold ground, so as to free our forces for other tasks. Secondly, I have insisted on burden sharing. I am approaching eight NATO and coalition partners to ask them to contribute to the increase in the NATO and coalition forces. Yesterday, Slovakia was the first of the countries to announce that it would double the number of its troops serving in Afghanistan, and I expect further announcements from other countries in the next few days. I expect that there will be fairer burden sharing in the next stage of our efforts.

I have also pressed the Karzai Government, and two days ago, they announced an anti-corruption taskforce. In the next few days, we will have the inauguration of President Karzai, and I am determined that that Government should prove, by their actions at the centre, that they are tackling corruption. I am also determined

that our Afghanisation strategy should mean, first, that there are Afghan troops on the ground in Helmand, and that there is an Afghan police force that is free of corruption and trained up to do the job. Secondly, I am determined that we can transfer control to the Afghans, district by district, so that they can take responsibility for their own affairs. In that way, over time, we will allow our troops to be able to come home.

Our strategy on Afghanistan is the same as will be announced by President Obama in the next few days, and I am determined that it should be a coalition-wide strategy that everyone supports.

Harry Cohen (Leyton and Wanstead) (Lab): I am very grateful to the Prime Minister for giving way. On Iraq, he will know that the Government refused to give out the number of Iraqi civilian casualties who died in that war. Will he be prepared to give out the number of Iraqi civilian casualties who have died in this war?

Hon. Members: Afghan civilians?

The Prime Minister: If my hon. Friend's question is about Afghanistan, the action that we are taking—and the action proposed in the McChrystal report—is designed to minimise the number of civilian casualties in Afghanistan. Our strategy is not counter-terrorism; it is counter-insurgency. It is to win the support of the Afghan people and then to ensure that the Afghan people can run their own affairs. This is not an occupying army; this is an army that is determined that the Afghan people can run their own affairs. I believe that that is the right strategy for the future, and I am grateful that there is all-party support for it. We will move it forward with announcements in the next few days.

We are just 20 days away from the UN climate conference in Copenhagen, and I want to respond to the Leader of the Opposition on that matter as well. I hope that the whole House will support me in calling on countries round the world to act with vision and resolve to achieve an ambitious, comprehensive and binding climate agreement.

The two issues that have to be dealt with are, first, that countries announce intermediate targets that they are prepared to follow and, secondly, so that we can have those intermediate targets announced by the developing countries and cut carbon emissions, we need to have a climate change finance deal similar to the one that we have proposed, which we will continue to push.

Let me turn now to the speeches of the proposer and the seconder of the loyal address. The seconder, my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry), enjoyed many years as a human rights lawyer working to achieve greater justice, equality and human rights. As a legislator, a campaigner and a charity fund raiser, she has carried into this House her commitment to supporting families, children and people.

What is less well known is that when my hon. Friend was 10 years old, she was a member of the girls church choir. There was a boys choir in a rival church in the same parish and Emily was outraged to learn that the boys got paid twice as much as the girls, so when the Equal Pay Act 1970 came in, a very young future Member of Parliament wrote to the rector of her church to demand that there be equal wages for girls and boys. Unfortunately, the complaint not only fell on the deaf ears of the rector, who did not bother to reply to her letter, but the next day he took the assembly at her school and his theme was "the sin of greed". Redress follows in the equality Bill that we are now bringing to the House of Commons.

In 2007, as the Leader of the Opposition mentioned, my hon. Friend joined a cross-party group of MPs raising thousands of pounds for charity. She did trek across the Arctic, slept in reindeer herder huts, subsisted on the fish she had caught, and she froze as a result. On that trip, she was pulled along, of course, by a pack of huskies, but history does not tell us whether they were the same huskies which, in that same year, had a close encounter with the Leader of the Opposition, and the passing cameraman.

I should also highlight the valuable role my hon. Friend has played as vice-chair of the all-party cycling group, which she mentioned in her speech. She does much work to make cycling easier and safer. I am pleased that so many Opposition Members are fellow members of the group, but she does assure me that when she travels to Westminster by bike, she does not add to, but cuts pollution—there is no car travelling behind her.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) is such a strong and respected campaigner against apartheid that he is respected—many people will not know this—as one of the people who in 1964 stood in protest outside the South African embassy when Nelson Mandela was imprisoned, and he was there again in 1990, celebrating the day on which Nelson Mandela was released. My right hon. Friend has been a consistent campaigner on behalf of the anti-apartheid movement, who makes us very proud indeed of what he has achieved over these many years.

When my right hon. Friend first became Secretary of State for Health, plans were already advanced to stage the Buckingham palace garden party to celebrate the 50th anniversary of the NHS, as he mentioned. Having heard his speech this afternoon, I know that he has such famous constituents that we could be forgiven for thinking that he would have invited them to Buckingham palace to celebrate that event, but the new Secretary of State for Health caused huge offence by insisting on holding a ballot of all the million NHS staff to decide who should attend. As a result, hundreds of NHS porters, cleaners, ancillary staff, nurses and technicians found themselves with the Queen at the garden party, and there for the first time. Some colleagues warned the Secretary of State for Health that the palace might frown on such an idea; what they did not know was that the Secretary of State had cleared the idea in advance with Her Majesty, who also supported it.

As a lifelong friend of the NHS, including my right hon. Friend's successful period as Health Secretary, he was once invited to Great Ormond Street hospital in his constituency to be Father Christmas—and not to put too fine a point on it, who better for the part? When my right hon. Friend walked in to greet the children and hand out the gifts, one child burst into tears. The staff had to comfort her and when they asked what the matter was, she pointed at Santa and declared, "That's not Santa—he's got a false beard."

Coming from a Yorkshire railway village, my right hon. Friend was the first from his primary school to pass the 11-plus exam before a council grant enabled

[The Prime Minister]

him to go on to the London School of Economics. I believe that my right hon. Friend's whole life as an MP and a Minister has been driven by a determination to give the same opportunities that he was able to enjoy in education and health to other people in his constituency. We are very proud of what he does.

I know that both proposer and seconder are passionately committed to building on the national health service's successes by creating the new personal rights and guarantees that we have promised. We have invested heavily in cancer services, in the right to see a specialist within two weeks and the right to diagnosis within one week. We would like to have the all-party support that was not forthcoming this afternoon in the response of the Leader of the Opposition.

I heard a speech made by the Leader of the Opposition a few days ago, on exactly the same day as his withdrawal from his iron-cast—*[Laughter]*—his cast-iron commitment on Europe. What did he say about the national health service on that day? He spoke to the Royal College of Pathologists—and this must make people very worried—of

"a cast-iron determination to... improve the NHS".

People should worry indeed when they hear that being said.

There is to be a social care bill that will ease the anxieties of thousands of elderly people and give new rights to them. There is to be the first-ever digital economy Bill, the first-ever legislation to abolish child poverty, and a second historic climate change and energy Bill. For pupils, there is to be the first guarantee of catch-up tuition. Parents will also be made responsible for the antisocial behaviour of their children. There is to be an equality Bill, and legislation banning cluster bombs. There is to be a draft Bill to put the 0.7 per cent. development target in legislation for all time. There is to be action on bank bonuses. There are to be regulations so that agency workers are never again denied the rights that other workers have.

When we propose these measures, we are speaking up not in the party interest but in the national interest. We are responding to new national needs relating to social care, climate change, economic restructuring and high levels of education. We are standing up for Britain. I say that the one party that had the policies enabling it to make the right decisions to deal with the recession is the one party that has the policies that can build a long-term recovery.

The Leader of the Opposition has promised to support some of these Bills. Let me thank him for that, but let me also tell him that promises from the Conservative party—guarantees from the Conservative party, particularly cast-iron guarantees—are not what they used to be.

Simon Hughes (North Southwark and Bermondsey) (LD): There were, of course, some good measures in the Queen's Speech, but there was not a single word about housing. May I ask the Prime Minister why, after 10 years during which wages have risen by a third and house prices by 150 per cent., and when the number of people waiting for social housing is higher than it has been in any decade since the 1940s, there was nothing to show the sort of the commitment that people would have expected from a Labour Government to deal with the massive housing crisis that is being experienced in every constituency in Britain?

The Prime Minister: That is because we announced in July new measures to put £1.2 billion into social housing and building new houses. We gave local authorities power to build houses again, and at the same time we said that we would build new social housing for people in this country to rent. I have to tell the hon. Gentleman that in first 10 years we modernised 2 million houses, repairing and refurbishing them for the new generation. Now we have to build new houses, and we have committed ourselves to doing so. That is in the statement that was made in July to move the housing programme forward.

Mr. John Redwood (Wokingham) (Con): The Prime Minister is proposing a Bill to cut public spending by between 6 and 7 per cent. of GDP over, I believe, a four-year period. What are the main ways in which he would recommend that we do that?

The Prime Minister: The first thing that we have done is raise the top rate of tax. I have not heard the Opposition parties say that they would support us in that course. Perhaps the Leader of the Opposition will indicate that he will support us. We have taken action to remove the tax reliefs for pensions. We have taken action to raise national insurance by half a per cent. from next year. We have taken the action that is necessary to cut the deficit in half over the next few years. I do not think that we have heard similar announcements from the Leader of the Opposition.

I want to talk about the economy, and about—

Rob Marris: Will the Prime Minister give way?

The Prime Minister: I will.

Rob Marris: I am grateful to the Prime Minister. Would he say with the benefit of hindsight, given the world recession, that there was too much intervention and too much regulation, particularly in the financial services sector, and that government was too big, or would he say that there was too little regulation and too little intervention in that sector?

The Prime Minister: For 12 years the Conservative party asked us to deregulate. It asked us to have less regulation. It opposed the Financial Services Authority. It wanted us to deregulate, but I believe that the answer we must take from the crisis of the last few years is that we need to have global supervision of our financial institutions, and that is what I want to talk about today.

Last year, we were prepared to take unprecedented action to support our banking system. We nationalised Northern Rock, and we took action to buy shares in RBS and Lloyds TSB. We also took action to underpin the whole banking system with emergency legislation that was repeated throughout the world. Let us be clear: the banking sector is vital to the future of our country, helping supply the money that is needed for homes, businesses, investments and protecting savings, but the banks and financial institutions must understand that a return to their old ways is impossible. Our financial services Bill, which we will publish in the next few days, will ensure that the salaries and bonuses paid to bankers are now consistent with the effective management of

risk and the rules set out by the Financial Stability Board internationally, and are fair to the general public of the United Kingdom. Our Bill will automatically make any remuneration contract that contravenes the rules void and nullified.

Mr. William Cash (Stone) (Con) *rose—*

The Prime Minister: I do not know whether the hon. Gentleman's question is about the European Union, although I rather suspect that it is so, but his argument is not with me; it is with the Leader of the Opposition.

Mr. Cash: My argument is emphatically with the Prime Minister, because he is responsible for this policy. How does he think he will improve the financial regulation of the City and also improve the economy of this country and maintain GDP by handing over the whole arrangement to majority voting and ensuring that the ultimate decisions are taken by countries such as France and Germany, which do not have our interests at heart?

The Prime Minister: You see, Mr. Speaker, they are back to the old ways. The Conservative party cannot stop arguing about Europe; and far from the Leader of the Opposition being able to hold his party together, it is rent asunder by the very issue of European union. *[Interruption.]* The financial services—*[Interruption.]* Mr. Speaker, this is the Leader of the Opposition who gave a cast-iron commitment to hold a referendum and then tore it up one day, much to the chagrin of the hon. Gentleman.

The financial services Bill—*[Interruption.]* Opposition Members do not like hearing about what we have got to do. The financial services Bill will allow us, for the first time, to require companies to publish the remuneration of their most senior executives. It will give us the powers to reform the running and the boards of banks, not least where there have been potential conflicts of interest. In the last few weeks, we have removed £300 billion-worth of potential liabilities on the Government, and let me state that when the pre-Budget report comes in December, we expect there will be a reduction in the debt that we have to write off because of the banks. As I have said before, when the crisis is over, it will not be the public who have paid money to the banks; it will be the banks repaying money to the public of this country. I will continue to argue for globally co-ordinated financial action. Whether through an insurance premium, contingent capital, resolution funds or a global financial levy, there has to be a new contract of trust between the banks and the society they serve, and I hope that all Opposition parties will support the need for that action at a global level.

We are the Government who were the first to act on restructuring our banks. We are the Government who took action on Northern Rock, who recognised we had a problem of capitalisation and liquidity, who delivered a fiscal stimulus, and who delivered help to the unemployed, and we are the Government who worked with Europe to tackle recession. Not one of these measures was supported by the official Opposition party. I hope that it will support us this time when we move further to improve our economy, because this Queen's Speech is also about removing the fear of unemployment for thousands of workers and their families, about creating thousands of new employment opportunities for young people now and into the future, and about securing our future by building stronger manufacturing and service industries for the long term. So, to those of us on the Labour Benches, in this low-inflation environment it is right to say that, as a nation, we will go for growth. We will maintain the fiscal stimulus until the economy is strong enough to withdraw it, and for that we have the support of every country in Europe and every major economy of the world.

We will also do more to equip ourselves for the future. The legislation we announce today will create new jobs so that Britain can have high levels of employment in the years to come. The energy Bill promotes clean coal, offers financial support for carbon capture and storage projects and makes Britain a vital leader in this new technology. We believe that, over time, the measures in this Bill could create between 30,000 and 60,000 jobs. We expect that over the next five or six years the number of people employed in the low-carbon and environmental goods and services sector could rise to more than 1 million people, and as a result of the digital economy Bill, skilled jobs will flow from investment in world-leading digital infrastructure. This will advance the delivery of a new super-fast broadband network reaching every home, as well as take tough action against those who abuse copyright online.

Mr. Don Foster (Bath) (LD): Does the Prime Minister believe that it is acceptable to take money from the BBC's licence fee to pay for some of these Government policies or does he share my view that doing so would undermine the independence from Government of the BBC?

The Prime Minister: The hon. Gentleman should understand that under the arrangement for the rise in the BBC licence fee—when it did happen—the BBC would contribute funds to maintaining and improving the digital infrastructure of the country; when the licence fee was negotiated there was an agreement that the BBC would contribute to people being online and to the digital changes that we are bringing about. We are moving from an analogue to a digital structure, the BBC agreed to contribute to that and it is right, in my view, that the BBC should make that contribution as a result of the agreement that was made. From investing in a digital Britain, a third of a million jobs will be generated over the next few years.

The energy Bill and the digital Bill build on what we are doing to equip Britain for the long-term future. The planning legislation, the new national plans for energy, for nuclear and for ports, the decisions on airports, the start of construction for Crossrail, decisions on rail electrification, investments in science, the new fund for innovation, and our support for low-carbon technologies, allied to our active membership of the European Union, are all long-term decisions in Britain's interests, are all long-term investments that we, as a country, need to make, and are all long-term investments that cannot be left to the vagaries of the free market alone, but have to be made by a partnership of Governments taking an active and strategic role in preparing our future.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): In what vehicle does the Prime Minister propose to introduce a guarantee for under-25s who are long-term unemployed—in other words, those who have been unemployed for 12 months or more?

The Prime Minister: I was coming to that, so I hope that the hon. Gentleman would just listen to me. The dominant issue is, as he says, jobs; it is helping people be secure in their jobs and it is finding jobs for young people who are unemployed. We must not only act for the future, as we are doing with the digital and energy Bills, but we must do more to act now. In the last quarter, employment has risen. Even during this downturn there are 2 million more people in work than in 1997. There are more than 400,000 job vacancies in the country, 300,000 men and women are leaving the unemployment register every month and more than half of claimants find work within three months. If the experience of the 1990s recession had been repeated, employment would have fallen by 1.7 million more than it has. No one can justify leaving young people out of work, in poverty and without hope for the future, as happened in the 1980s under the Conservatives. Today, in answer to the hon. Gentleman's question and to others, I want to make four new guarantees designed to ensure that at no point are young people deprived, for any length of time, of the opportunity to work or train or prepare for work.

First, our September guarantee for young people provided funding for 55,000 extra places for young people this September. Today, I can announce that we will offer, for the first time, a January guarantee for young people. So, from January next year—*[Interruption.]* I know that the Opposition do not like hearing about measures to deal with unemployment, but they should remember that they were the party that created the highest level of unemployment our country has had since the war and we are the party that is acting to bring unemployment down. Today, I can announce that we will offer for the first time a January guarantee: from January, all 16 and 17-year-olds who are not in employment, education or training—who are without a place—will be guaranteed a place in learning. Together, these steps will mean that overall, since last summer, an extra 100,000 young people will have benefited.

Secondly, earlier this year the Work and Pensions Secretary announced that all young people would be guaranteed a job, training or work experience—and would be required to take it—after 12 months' unemployment. Because of the financial savings we have made from lower than expected unemployment, the Work and Pensions Secretary will announce in her employment White Paper a new guarantee that thousands of additional young people who are unemployed for less than a year will now be able to benefit from there being a guaranteed job or training. But I also want a day-one guarantee to all young people out of work, so that at no point will they be lost to the labour market and to opportunity. So, we will offer online training courses direct, and, at the start of their claim, offer the opportunity of work experience places to young people. I can also announce a graduate guarantee, so that no graduate will become long-term unemployed: all new graduates still out of work after six months will have access to a high-quality internship or to training, or help to become self-employed. For that, I am grateful for the partnership that we announced recently with the Federation of Small Businesses. Together, those four new measures, and those introduced over the past 12 months, will constitute the most comprehensive and effective programme in our country's history for preventing higher unemployment, and we are determined to see it through.

Andrew Selous (South-West Bedfordshire) (Con): Will the Prime Minister explain to small businesses in my constituency on the verge of ceasing to trade because of the vast hikes in business rates why, for small businesses in his constituency, rates have either been scrapped completely or severely reduced?

The Prime Minister: We have helped 200,000 businesses, including many in the hon. Gentleman's constituency, with their cash-flow problems during this recession. That has helped 200,000 businesses, been worth about £4 billion and enabled businesses to keep going. I believe that if he talks to the Federation of Small Businesses and other business organisations, such as the CBI and the Institute of Directors, he will find that they support that. As far as other measures are concerned, he will have to wait until the pre-Budget report, which the Chancellor will bring forward.

We have invested £5 billion in employment support so that young people and adults can get back to work, but the Conservatives opposed it. The new deal has helped more than 2 million people into work, but the Conservatives opposed that too. Our September school-leavers' guarantee is helping more than 1.5 million 16 to 18-year-olds, but the Conservatives would refuse to give such a guarantee. We have also made available 10,000 additional student places. We have taken such measures so that thousands more will not be unemployed. However, every major policy that we have announced to support young people and the unemployed has been rejected by the Conservative party. Its policy is not a guarantee, but a gamble for people facing the future without the help that they should have.

The Conservative party says that it has moved to the centre, and that it is about helping the poor and supporting public services, but every measure that it announces is simply a repeat of the failed policies of the 1980s and 1990s. Where does the money go in the Conservative economic programme? What is its flagship policy? I have here the Conservative party's economic policy produced for its annual conference, and it confirms what I did not think possible during a recession—*[Interruption.]*

Mr. Speaker: Order. I say to the hon. Member for Blaby (Mr. Robathan), the Opposition deputy Chief Whip, that after 17 years in the House, he knows that he has to set an example to others. He has a responsibility to behave with some dignity, and he ought to start now.

The Prime Minister: I was explaining that even during these difficult economic times, even after questions about the Conservative party's priorities and even after the Leader of the Opposition's speech last week in which he said that the gap between the rich and poor was too great, that inequality was a problem that had to be dealt with and that differences in wealth contribute to our social problems, he has decided to maintain its commitment to give £200,000 to the richest 3,000 people in our country through an inheritance tax cut.

I have looked at those proposals, and the Leader of the Opposition has to face up to the gap between rich and poor and to the inequality that his proposals would create. An estate of £1 million would benefit by £120,000; an estate of £1.5 million by £320,000, and an estate of £2 million by £520,000. Is it not to say one thing and do another to promise, as the Conservative party has done,

to attack the gap between rich and poor, but then to be responsible for the most regressive policy imaginable, under which 99 per cent. of the benefit would go to the richest few in our country?

The Conservative party has said that it will cut education maintenance allowance and save money by restricting Sure Start. It has refused to commit to raising child tax credits and will speedily raise the retirement age for women, but will not match our promise to people in need of care in their homes. It will freeze public sector wages and cut the school building programme. Its only definite commitment is to cut inheritance tax for the smallest number of people imaginable. In the majority of constituencies there will be nobody who benefits. The typical constituency will have only five people who will benefit. The biggest group of beneficiaries will be in one area of the country—Kensington and Chelsea, which of course includes Notting Hill.

That must be the only tax change in history where the people proposing it—the Leader of the Opposition and the shadow Chancellor—will know by name almost all of the potential beneficiaries. Is this what the Conservatives mean when they say, "We're all in this together"? Is this what they mean by the age of austerity—austerity for the many, to pay for tax cuts for the very few? I say: poverty and inequality will endure until doomsday if the Leader of the Opposition is all that will confront them.

Are the Conservatives also seriously telling us that the best way forward for the NHS is to remove a cancer guarantee that has saved the lives of hundreds of people in this country? Are they seriously telling us that the best way forward on law and order is to cut policing, through a £5 billion cut in public services this year? Are the Conservatives seriously telling us that they will have a referendum on the treaty of accession for Croatia? Are they seriously saying that they will split Europe over an attempt to repatriate the social chapter to this country? When they have a policy, it is always the wrong policy.

Mr. Edward Leigh (Gainsborough) (Con): On the subject of Europe, will the Prime Minister tell the House how his campaign to get one of the top jobs in the European Union is going, or is it a case of "nul points"?

The Prime Minister: That intervention tells us two things. One is the absolute fixation with Europe on the part of the Conservatives. Secondly, they cannot ask questions about policy; it is all about personalities. When will they realise that when it comes to the choice in this country, it will be a choice about the policies that we pursue as a country? At no point during the Leader of the Opposition's speech did he put forward one new policy that would benefit the country as a whole.

The Conservatives have been wrong on every issue that we have faced in economic policy this year. They have been wrong on the fiscal stimulus and wrong on what we have done on employment, and they are wrong on dealing with the recession, wrong on inheritance tax, wrong on social care and wrong on law and order. We are bringing in a legislative programme that involves substantial restructuring of the financial system and the building of a digital economy in this country. We are leading the world with an energy Bill on clean coal. We are giving guarantees for parents and patients. We have a social care Bill that will help hundreds of thousands of people. We have a Bill to protect against crime and make our communities safer. We have an equality Bill to end discrimination and make life fairer for everyone. We are banning cluster munitions. Our changes are for the many and not the few, and I commend them to the House.

3.57 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions—*[Interruption.]*

Mr. Speaker: Order. I do hope that the House will behave in a way that reflects credit on the House. May I therefore appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly?

Mr. Clegg: I would obviously like to add my own expressions of sympathy and condolence to the family and friends of Rifleman Andrew Ian Fentiman from 7th Battalion the Rifles and Corporal Loren Marlton-Thomas from 33 Engineer Regiment, who tragically lost their lives in Afghanistan this week. It is clear now to everyone, in all parts of the House, that we are arriving at a pivotal, make-or-break moment in the debate about our mission in Afghanistan, as announcements are made here, in Kabul by President Karzai and, most importantly of all, in Washington by President Obama. All of us will need to decide whether those announcements collectively represent the sufficient step change from a failing strategy to a strategy of success. However, throughout all that, we will never forget the professionalism, bravery and sacrifice of all those brave British servicemen and women who are serving in Afghanistan.

I should like to join others in congratulating the mover and seconder of the Loyal Address. The right hon. Member for Holborn and St. Pancras (Frank Dobson) did a truly excellent job of opening the debate. He is widely admired in all parts of the House for his unbending refusal to follow fads and fashions. He is known as a determined campaigner who never gives up—so much so, I discovered this week, that his "Frank for Mayor" campaign website is still live on the internet. Throughout his long political career, he has often spoken words of wisdom; words that, it may surprise him to learn—it might even dismay him—I have often agreed with. There was the time in 1980 when he said that nuclear missiles were okay, so long as anyone who launched them was compelled to stay above ground afterwards. Then there was the time in 1988 when he argued in favour of televising the House of Commons because, as he put it beautifully, we did not have "any reputation to damage". There was also the moment in 2003 when he memorably remarked to the Labour party that, if a "Slaughter of the First Born" Bill were issued from Downing street, there was a group of super-loyalists who would vote for it.

Speaking of super-loyalists, I thought that the hon. Member for Islington, South and Finsbury (Emily Thornberry) gave a compelling speech. When she recounted some of her life experiences, it was also very moving. As it happens, I had the privilege a few years ago of travelling with her and some other hon. Members on the fund-raising charity trek north of the Arctic circle that has been referred to several times already today. I saw then, as I think that we all did, that she is a force to be reckoned with.

[Mr. Clegg]

The hon. Lady will remember that we all tried fishing through holes in the ice, but she was the only one to catch anything—which was extraordinary, given her confession just now of an interest in marine matters, fishing and the marine Bill. I can report that, with impressive strength and a little brutality, she bludgeoned the life out of a poor fish right there on the ice. *[Interruption.]* She did indeed. As we stood watching with a growing sense of alarm, she turned to me and my hon. Friend the Member for Cardiff, Central (Jenny Willott) and said, "I enjoyed that; I pretended it was a Liberal Democrat fish." That is true.

I turn now to the substance of the Gracious Speech. All the pageantry in the world cannot cover up the fact that this is a fantasy Queen's Speech, from a Government who are running out of road and a Parliament that has lost the trust of the British people. It is a Queen's Speech that will not give people the help with housing, bank lending or adult joblessness that they so desperately need in this recession and that will not fix our rotten politics. After 12 long years, in which this Government have passed nearly 500 different laws and countless thousands of statutory instruments, it is right to stop and ask the simple question, "What is this Queen's Speech really for?"

When they are backed into a corner and unsure of what to do, this Government have always reached for their pen to start drafting yet another new law. Legislation is Labour's comfort blanket; it makes the party feel good. Yet in these dying days of the Labour Government, when people desperately need help, the Government should legislate less and focus on getting things done. That means creating jobs—beyond the re-announcements of today—for the 2.5 million people who are unemployed. It means drawing up plans for a fair tax system, closing loopholes at the top to cut taxes for people on low and average incomes. It means getting the banks to start lending again so that businesses can survive. It means setting out a new and workable strategy in Afghanistan. Those should be the Government's priorities, not fantasy Bills that we know will not even make it on to the statute book.

Of the Bills proposed in last year's Queen's Speech, just two had made it on to the statute book by May this year, and this coming year will not be any different. The legislation promised today is just a political displacement activity for real action to help people. How absurd is it to have a fiscal responsibility Bill making it law for the Government to halve the deficit over four years? It is like passing a law promising to get up early every morning—one does not pass a law for that; one just does it. Does the Prime Minister have so little faith in his own self-discipline?

Then there is the Child Poverty Bill: it sets a legal target, but it does not put a single penny in the pocket of a single struggling family. If laws could feed and clothe children, there would not be a single family in poverty in Britain after 12 years under Labour. Another law will do nothing. We need action.

Then there are the laws that are simply unnecessary, because the Government could act without them. For example, the financial services Bill is supposedly being introduced to crack down on bonuses, but everyone knows that the Financial Services Authority already has most of the powers that the Government are promising in the Bill. Real, radical action would be to take the advice of the Governor of the Bank of England and finally split up the banks to separate retail and investment banking and so protect consumers. Until that is done, the Government should impose an extra levy on the profits of the banks, so that they pay for the taxpayer guarantee by which they have been propped up and we get a return on our investment. The Bill announced today does none of that, being just more displacement activity to make it look as though the Government are sorting out the banks.

Rob Marris: By far the most robust banking system in the western world is the Canadian one, where retail and investment banking are not split, so why are the right hon. Gentleman and his hon. Friend the Member for Twickenham (Dr. Cable) so fixated on splitting banks into retail and investment, when that is clearly not the problem—as demonstrated by the robustness of the Canadian system?

Mr. Clegg: With respect, I will heed the views of the Governor of the Bank of England on the issue slightly more than I do those of the hon. Gentleman. The Governor makes a simple, compelling case, starting from first principles. Retail banking—keeping people's deposits safe and lending prudently to businesses and households—should not be mixed up with the high-risk, over-leveraged business model of casino banking. Full stop. It is as simple as that.

We have an improving schools Bill, which is highly unlikely to improve schools. If the Government wanted to improve schools, they would take bureaucracy away from teachers, not impose more. It will be the 12th education Bill in as many years, so why do the Government imagine this one will work when none of the others does.

The policing, crime and private security Bill will yet again tweak the over-tweaked ASBO regime. Is it not time for the Government to accept that passing laws does not cut crime, but that more police officers out on the beat do?

Worst of all, some Bills in the Queen's Speech cynically raise expectations, yet the Government know that they will deliver far less than they promise. The Bill to outlaw cluster bombs sounds great, but in fact we know that it will outlaw only some cluster bombs. There will be a Bill that—supposedly—delivers free personal care. After the Prime Minister's media interviews this morning, tens of thousands of elderly people up and down Britain will have been led to believe that they will be properly looked after from now on, yet it will not happen. He has raised the hopes of some of the most vulnerable people in this country, when he knows perfectly well that the Bill will offer free personal care only to a fraction of the people who are struggling to pay for the help that they need.

Keith Vaz (Leicester, East) (Lab): The right hon. Gentleman did not mention the digital economy Bill. Surely, he will support the measures in that Bill to implement for the first time the recommendations of the Byron report on violent video games. He must accept that there is a need for legislation to deal with such issues—we cannot just talk about expenses all the time.

Mr. Clegg: Absolutely not. Of course, I accept that we shall scrutinise the Bills in the Queen's Speech and support or oppose them, as is the duty of a responsible Opposition party.

I return to the basic question of what the Queen's Speech should be doing in the very little time available to this Parliament.

Mr. Redwood: I am grateful to the leader of the Liberal Democrats for giving way. How big a reduction in the deficit would he recommend and what should be the balance between expenditure cuts and tax rises?

Mr. Clegg: We accept that the most important thing is to be credible in any plan to fill the structural deficit. Simply passing a law saying that the Government will halve the deficit over the next four years is irrelevant if they do not spell out the difficult choices. That is why the Liberal Democrats have advocated big, difficult, bold decisions—not renewing like for like the Trident nuclear missile system, ending tax credits for above average income families and ending the child trust fund of £250 for every 18-year-old in the country. That is not because the choices are popular; they are difficult, and we need to spell them out if we are to be credible about the deficit reduction programme that is absolutely necessary.

What should Parliament be doing in these final weeks? The Queen's Speech should have been replaced by an emergency programme of political reform. After the expenses scandal, this Parliament has destroyed its legitimacy. In the few weeks remaining to it, the one gift that this failed Parliament can give its successor is a fresh start. When we move out of a house, we clean it for the people moving in. That must be the final task of this rump Parliament.

Let me set out in a few words what real reform would look like—what the focus of the last 70 days of this Parliament should have been. We should introduce a power of recall, so that people can sack any MP found guilty of serious misconduct. All candidates at the next election should declare their financial interests, as Sir Christopher Kelly demanded. We should have real action to reform the House of Lords, not yet more delaying tactics from the draft legislation proposed in today's Queen's Speech. We need changes to House of Commons procedure to reduce Executive power.

We should agree a total change in party funding, so that big money and the whiff of corruption that it brings are removed from politics for good. We should introduce fixed-term Parliaments, so that voters can never again be toyed with by a Prime Minister planning an election timetable to save his or her skin. Finally, we should have real action on electoral reform, so that every citizen knows that their vote counts.

Of course those changes are a tall order, but with political will, they could transform our threadbare democratic institutions. Instead of being just a sorry footnote to a shameful year at Westminster, these months could have been a moment of important and permanent change in British political history. After today's Queen's Speech, however, we know that that opportunity to do the right thing has been squandered, yet again, by this Government.

4.10 pm

Mr. Charles Clarke (Norwich, South) (Lab): First, I join the congratulations that have come from all parts of the House to the proposer and seconder of the Loyal Address. Both were entertaining, witty and powerful. I know both well and I think that they did themselves and everybody else credit.

Unfortunately, I cannot say the same for the speech made by the Leader of the Opposition. He has led the most extraordinary attack on the Queen's Speech, writing in *The Times* yesterday that we

"will see a Prime Minister playing politics with the biggest constitutional event of the year."

The right hon. Gentleman's discovery that the Government's legislative programme is political is truly bizarre. His stance can surely be explained only by his fear of exposing to debate his own party's lack of clear policies, programme or philosophy. The fact is that almost all legislation is political—indeed, it should be, as it expresses the values and beliefs that underlie our society. The question is not whether the Queen's Speech is political, but whether its politics are right.

This legislative programme comes at the end of a Parliament elected in 2005, during which enormous and in many ways unpredictable changes have occurred in our national life. Some, such as the deep challenge from climate change and the reality of an ageing population, are now understood more widely and more deeply than they were at the start of this Parliament. In this year's Queen's Speech, the energy Bill and the personal care at home Bill are important and welcome steps towards implementing the excellent low-carbon transition plan and the first-class "Shaping the Future of Care Together" White Paper, both published in July.

It is, however, the world financial crisis and the rocking of the foundations of confidence in the integrity of our politics that represent the most significant changes since this Parliament was elected in 2005. In the economic field, this Government, and the Prime Minister in particular, have already played a leading role in putting into place the measures necessary to address the crisis, but one of the lessons of the past few years is that banking needs more and better focused regulation, not less. That is why, although I welcome the further measures proposed in the Queen's Speech to regulate banking, I hope that, in addition, the Government will consider including proposals that divide so-called retail and casino banking in the ways recommended by the Governor of the Bank of England and the Treasury Committee and respond more positively to the proposed European Union regulatory regime. I also hope that the Government will strengthen and encourage mutual financial institutions, including by remutualising Northern Rock.

Chris Huhne (Eastleigh) (LD): To reinforce the right hon. Gentleman's excellent point about Glass-Steagall, does he agree with me that the Canadian example offers no obvious illustration of how such a measure would fail, given that the Canadian banks have never been known for their investment banking activity and are, in effect, universal retail banks?

Mr. Clarke: I regret not being as well informed about the intricacies of the Canadian system as I ought to be. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) is extremely well informed about

[Mr. Charles Clarke]

that subject and I take his judgment very seriously, but I remain of the view that the Governor of the Bank of England and the Treasury Committee are right in urging the separation of the retail and casino elements of banking over a period of time, and I hope that that will be considered in the legislation.

John McFall (West Dunbartonshire) (Lab/Co-op): I have visited Canada and spoken to representatives of its central bank. The hon. Member for Eastleigh (Chris Huhne) is right about the type and structure of banking there, but rather than allow ourselves to be diverted into considering whether it is narrow or not, the big question that we should be asking is: is it too big to fail? The answer to that question is still outstanding—it still has to be tackled.

Mr. Clarke: I very much agree with my right hon. Friend. Banking is about more than responding to the injunctions of the European Commission, particularly the European Commissioner to whom we had to respond recently on the question of breaking up banks that are too big. We have to demonstrate our own clear approach, and show that Parliament has taken steps to correct the mistakes of earlier years that have had such a serious impact. That is a duty on Parliament, and we need to get away from the "too big" bank model, which my right hon. Friend has mentioned. I think that the break-up into retail and casino banking is a better way of doing so, and the examples that I have in mind are the landesbank in Germany and Crédit Agricole in France, which are based on a particular industrial function or geographical reality. We would do better to move our banking system in that general direction.

Mr. Redwood: Would that mean that a retail bank could not offer a business customer a forward currency contract?

Mr. Clarke: It might well mean that. If we look at the inadequate finance regimes for many industries in this country, including agriculture, engineering and so on, we can see that we need much more dedicated provision. I can give the right hon. Gentleman the example of Barclays bank, which used to have strong relationship in Norfolk with the agricultural industry from which it emerged. That was gradually eroded by the development of new types of banking, so there is a less intimate relationship than there should be. That is the kind of thing at which we should be looking.

The second major change since 2005 is the impact of the party political funding dramas and the parliamentary expenses crisis on popular confidence in our political system. We all know that it is exceptionally serious and that it is the duty of Parliament to address it before our successors are elected. I am therefore certain that the best and most political use of the limited parliamentary time available between now and April is to do our utmost to rectify those problems. The people of this country need to know that we have put right the flaws underlying the problems that have been exposed over the past couple of years.

For those reasons, the Queen's Speech should have included proper legislation to regulate the funding of political parties, along the lines of Hayden Phillips's report, on which agreement was almost reached between the parties some years ago. That should finally resolve the ways in which the pay and allowances of Members of Parliament are set, rather than permitting both the instability and uncertainty that has followed unsatisfactory reports by Sir Thomas Legg and Sir Christopher Kelly, as well as an uncertain role for the new Independent Parliamentary Standards Authority. Even if there were no further change in the composition of the upper House during this Parliament, we must reform the highly unsatisfactory arrangements for peers' remuneration and allowances by the end of this Parliament. That is being considered at the moment, but Parliament has not dealt with those matters properly, and an effective approach of the kind that I have described would go a long way towards rebuilding the trust in politics that has been lost since 2005.

Simon Hughes: Does the right hon. Gentleman agree that the Labour party has failed abysmally to reform the second Chamber, which is the largest entirely unelected second Chamber in Europe, if not the world? Rather than a draft Bill to tinker with it, if the Government really wanted to be seen as reformers, they ought to get rid of the hereditary principle and have an elected Chamber on the statute book before the election.

Mr. Clarke: I do not agree with the hon. Gentleman. I am in favour of an elected second Chamber, but I believe that the Labour party has made major advances in addressing that issue. The difficulty is that there is no consensus on what the change should be. There are some people who, perhaps like the hon. Gentleman and me, favour an elected second Chamber; there are some who favour a unicameral system; and there are others who favour an entirely appointed system. We have not made a change because there is no consensus, and it is not right to criticise the Labour party in that way.

We have not dealt properly with arrangements for peers' remuneration and allowances, but we should do so. In addition, the public would appreciate knowing that the timing of a general election will not be subject to the considerations and manipulations of crude party politics. That means legislating for fixed-term parliaments, which almost all other comparable countries have. That could still be done in the final Session of this Parliament and, I suggest, could be considered on a free vote. Certainly, we on the Labour Benches have good reason to know, following the experiences of both 1978 and 2007, that for a Labour Prime Minister the ability to choose the date of the general election is not always an unalloyed blessing.

Though I believe that the measures to clean up politics should be pursued on an all-party basis, without partisanship, and that they could be, I believe that they would have a major benefit to Labour since it is Labour, as the governing party, which in my opinion has suffered most from the public's declining confidence in the conduct of our politics, and it is our job to try and put that right in a non-partisan way.

Finally, it may be claimed that, in the short parliamentary Session ahead of us, there is no space to deal with the additional measures that I have proposed. If that case were to be made, I would suggest dropping some of the other measures proposed—in particular, those that appear to enshrine in legislation and so subject to interminable and expensive legal contention goals and targets that

ought to be the normal business of government. Those seem to come from the "new Bill of Rights" or "NHS constitution" school of thought, which would benefit only lawyers' bank balances and render government more ineffective.

It should, for example, be possible for the Chancellor of the Exchequer to subject the Secretary of State for Education to the normal fiscal disciplines, without having recourse to a fiscal responsibility Act of Parliament. Our correct and important ambitions in relation to child poverty and international development will not be strengthened by statutory requirements, nor will precise performance targets for health or education be helped by statutory underpinning. Those approaches owe less to good government than to a premature expectation of defeat in advance of the general election.

Lembit Öpik (Montgomeryshire) (LD): I agree that targets should not be enshrined in legislation. Does the right hon. Gentleman agree that a classic case in point is the mandate from the Government to the banks to lend more? Despite all that enormous pressure, the banks still are not lending enough to small businesses. Changing the law will not change that attitude.

Mr. Clarke: Changing the law can and does change things, but we need to improve the conduct of our politics and government to operate that way round, and that is the way to do it. The public justification of this approach by reference to the need to use the Queen's Speech to highlight so-called dividing lines as we approach the general election is neither the best way to govern the country, nor the best way for Labour to win in 2010.

Martin Horwood (Cheltenham) (LD): Will the right hon. Gentleman give way?

Mr. Clarke: No, not for a moment.

The true political purpose of the Queen's Speech is to address the legislative challenges of the coming year from the point of view of the country, the Government, Parliament and the Labour party. Despite its many positive elements—I believe that the Queen's Speech does contain many positive elements—it does not do that, and so it is difficult to support. We should have faced this challenge by proposing with confidence and clarity our own programme, without reference to dividing lines or any such thing, reflecting our own sense of purpose and values.

The kind of measures that I would like to have seen included to reflect that would be measures attacking poor housing conditions by licensing houses in multi-occupation, creating better sentencing alternatives to prison for some offenders, permitting more congestion charging in difficult and controversial areas, extending electoral reform or opening more community access to schools. Instead of legislating in a way that sets out a constructive ambition for the future, I fear that this Queen's Speech shows that we are dominated by political fear of our opponents. That is not the right way for Labour to win and makes it more difficult for us to do so.

4.23 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): I begin by adding my tribute to those that have already been paid to our servicemen who have most recently and tragically lost their lives in Afghanistan. I also add my congratulations to those that have already been offered to the mover and seconder of the Loyal Address.

This is the 27th and last Gracious Speech that I have been privileged to listen to as a Member of this House. Over the years, I have come to realise that the Gracious Speech is often more significant for what is not in it than for what is. That is particularly true on this occasion. To look for what I had hoped to see in the Gracious Speech, I went back to my maiden speech, which I made in the House on the 29 June 1983. On that occasion, I expressed concern that the powers of this House might be emasculated over a period by a combination of the increasing encroachment of the powers of what has since become the European Union and the proposals for regional government that the Alliance parties were then advancing. My concerns over the former have certainly been justified; my concerns over the latter have not—at least, not in the form that I then feared. That is largely due to the good sense of the people of the north-east, who resoundingly rejected the Government's proposals in the referendum that took place some years ago.

Martin Horwood: I am sure that the right hon. and learned Gentleman's memory is very good, so he will remember that in those days we were campaigning for regional, elected government that took powers from London down to the regions, not the exact reverse, which we have now.

Mr. Howard: I am not entirely sure that that distinction would have been foremost in the minds of the people of the north-east when they came to vote so recently.

However, the intervening period has seen devolution and the creation of the Scottish Parliament and the Welsh Assembly, and my right hon. Friend the Leader of the Opposition is quite right to recognise that not all those changes can or, indeed, should be reversed. I fully support, in particular, his approach to our relationship with the European Union, and I am more confident than many commentators that he will be successful in his objectives. But one of the biggest threats to the powers of this House has come from a source that I did not identify or anticipate in my maiden speech. I did not then foresee the extent to which a challenge to the powers of Parliament would emanate from the judges, and it is to that threat that I propose to devote the remainder of my remarks.

Over the past quarter of a century and, perhaps, longer, we have seen a steady shift in power from Parliament and Government to the courts. To begin with, we saw an expansion of the traditional power of the courts to review the exercise of power by the Executive. Traditionally, this power, which is a necessary safeguard to curb the illegal, arbitrary or irrational exercise of power by Government, was exercised with restraint. In particular, the courts would in the past have been very careful not to quash decisions because they disagreed on the merits of the decisions under challenge. That restraint has more recently become conspicuous by its absence. As the former Lord Chancellor, Lord Irvine, put it as long ago as 1995, in his address to the Administrative Law Bar Association,

"the range of circumstances in which decisions may be struck down has been extended beyond recognition."

[Mr. Howard]

In that address, Lord Irvine called for judicial restraint. Indeed, he referred to what he described as the

"constitutional imperative of judicial self-restraint,"

and he gave three reasons for it. First, he referred to the constitutional imperative, whereby Parliament gives powers to various authorities, including Ministers, for good reasons and in reliance on the level of knowledge and experience that such authorities possess. Secondly, he referred to the lack of judicial expertise which, he said, made the courts ill equipped to take decisions in place of the designated authority. Thirdly, and most pertinently, he referred to what he called the democratic imperative, whereby elected public authorities derive their authority in part from their electoral mandate. He said:

"The electoral system...operates as an important safeguard against the unreasonable exercise of public powers, since elected authorities have to submit themselves, and their decision-making records, to the verdict of the electorate at regular intervals."

That, surely, is the nub of it. Governments and Members of Parliament are answerable to their electorate, they can be dismissed and they are directly accountable. Judges are unelected, unaccountable and cannot be dismissed.

Simon Hughes: Despite our difference of view on this matter, does the right hon. and learned Gentleman accept that the flaw in his argument is that when he was born more than 90 per cent. of the country voted either Labour or Conservative, whereas nowadays only about two thirds of the country vote for his party or the Labour party, and Governments are sometimes elected with only 22 or 23 per cent. of the public supporting them? That does not give democratic authority to Governments now, in this century and in this country.

Mr. Howard: I do not accept that at all. However, there are changes that can and should be made to our electoral system to make it much fairer than it is today—not through measures of the kind advocated by the Liberal Democrats but by equalising the size of constituencies so that the value of the vote that each member of the electorate casts is much more equal.

Mr. Denis MacShane (Rotherham) (Lab): I am listening to the right hon. and learned Gentleman's speech with great interest, and I am sorry that there are not more right hon. and hon. Members here to hear it. May I pay sincere tribute to the courtesy that the Leader of the Opposition is showing by being in his place for this part of the debate? The right hon. and learned Gentleman criticises judges. Does he remember Michael Foot saying in the 1970s that if we left it up to the judges there would be precious few liberties in Britain? Is he becoming a secret Michael Foot in his last months in Parliament?

Mr. Howard: I am always happy to accept endorsement of my views from such a distinguished source. I, too, pay tribute to my right hon. Friend the Leader of the Opposition for doing me the courtesy of being in his place at the moment.

The difficulties to which Lord Irvine referred have, of course, been exacerbated by the Human Rights Act 1998, for which he himself had direct and personal responsibility; political life is full of little ironies like that. To be fair to the judges, they cannot be blamed for this further increase in the power that they now wield—it is power that has been thrust upon them by Parliament at the behest of Lord Irvine, among others. How does this arise? In a nutshell, the Human Rights Act requires our courts to apply the European convention on human rights in every decision they make. The convention was drawn up in the aftermath of the second world war; its authors saw it as a safeguard against any revival of Nazism or any other form of totalitarian tyranny. However, the rights that it seeks to protect are framed in very wide terms. I suspect that many of its authors would turn in their grave if they were able to see the kind of cases that are being brought in reliance on it today.

The point about these rights is that none of them can be exercised in isolation. Any decision to uphold one right may well infringe someone else's right, or it may conflict with the rights of the community at large. What has to be done, therefore, is to carry out a balancing exercise in respect of these competing rights. Perhaps the most acute manifestation of this conflict arises when it comes to questions of national security and the difficulty of striking the right balance between security and liberty. Indeed, my right hon. Friend the Leader of the Opposition has spoken about precisely that challenge. The challenge of getting the balance right between these fundamental considerations is one of the most serious and controversial issues that society faces in the globalised world of the 21st century.

The fundamental question is who will be ultimately responsible for striking that balance: elected Members of Parliament or unelected judges? In the cases on terrorism, Parliament twice, after much anxious consideration by both Houses, reached its view. It was not always a view with which I agreed, but it was the view of elected Members of Parliament who could be held to account for it. Yet twice the judges have held that Parliament got the balance wrong; they thought that the balance should be struck differently. In doing so, let it be said that they were not deliberately seeking to challenge the supremacy of Parliament, but simply doing what Parliament had asked them to do. The question is this: should Parliament have asked them to do it? That is a serious question. It will be apparent from what I have said thus far that I believe that the answer is in the negative. I entirely appreciate that others may take a different view, but what I find particularly disappointing is their failure to engage with this crucial argument.

The latest example of that failure is to be seen in the recent speech of the Director of Public Prosecutions. After listing the rights set out in the convention, he said:

"The idea that these human rights should somehow stop in the English Channel is odd and, frankly, impossible to defend."

Of course I agree with that statement—I would not dream of defending the ridiculous proposition that he has articulated in order to destroy it. However, to suggest that that is the issue of concern to those of us who are opposed to the Act is nothing short of infantilising the argument. What those on the other side of the argument from me need to do is justify the transfer of decision making on the balancing of competing rights from elected politicians to unelected judges, but the DPP made no attempt to address that central issue.

John Hemming (Birmingham, Yardley) (LD): In arguing for the repeal of the 1998 Act, is the right hon. and learned Gentleman also arguing that individuals in this country should have no right of appeal to the European Court in Strasbourg?

Mr. Howard: No—I am not arguing that at all, and I will come to that point toward the end of my remarks.

In that same speech, the DPP welcomed the establishment of the Supreme Court, which he said

"presents at least the possibility that we may see a move in time towards perhaps a constitutional court with which other jurisdictions are not only familiar but comfortable."

The reference to "other jurisdictions" is particularly interesting. I wonder how "comfortable" the DPP and others who take a similar view would be with some of the features that are present in those jurisdictions, and particularly how comfortable they would be with features that have evolved precisely to introduce an element of accountability into institutions that are not composed of elected representatives. Would they, for example, be "comfortable" with parliamentary scrutiny of the political backgrounds of candidates for judicial office? I suspect that they would not. Indeed, I would not regard with any enthusiasm the introduction of the kind of hearings that take place in the United States Senate to confirm or otherwise the appointment of senior judges, but if the current trend for judges to take what are in effect political decisions continues, people will become increasingly interested in their political backgrounds.

My right hon. Friend the Leader of the Opposition has indicated his intention to deal with some of these issues if, as I devoutly hope, he is in a position to form a Government after the election. He proposes to replace the 1998 Act with a home-grown Bill of Rights, which I hope will relieve our courts of the duty to carry out the kind of balancing exercise to which I have referred. Such a balancing exercise is better left, in my opinion, to elected Governments.

Mr. Charles Clarke: I am listening to the right hon. and learned Gentleman with great interest and I am very sympathetic to many of his points. Obviously, like him, I have had to deal with many of those issues. However, quite genuinely, I do not understand the difference between a Bill of Rights of the type he is now advocating and the European convention on human rights and, subsequently, the 1998 Act. What different things would be in the two types of measure?

Mr. Howard: The essential, critical difference—I am speaking entirely for myself and am not privy to the work that has been done on the Bill of Rights that my right hon. Friend the Leader of the Opposition intends to introduce—would be to remove from our courts the need to carry out the kind of balancing exercise between competing rights that has been thrust upon them by the 1998 Act. That would be the criterion by which I suggest those proposals should be judged. That is a new element—it was not there before 1998—and has been deliberately put upon the courts by that Act.

Mr. Clarke: Would the rights that the right hon. and learned Gentleman is proposing be in the European convention and outside some kind of UK Bill of Rights, or is it the other way around? He is proposing not different rights, but different regimes. Would that mean withdrawing from the European convention at the same time as having a UK Bill of Rights?

Mr. Howard: My next remarks will deal with our relationship with the European convention.

I hope that my right hon. Friend the Leader of the Opposition renews the efforts made by the last Conservative Government to persuade the European Court of Human Rights to increase what it calls the "margin of appreciation". That is the extent to which the Court respects the right of institutions in the member states to decide these matters for themselves. If the Court came to see itself as more of a backstop to prevent the infringement of fundamental human rights and freedoms, it would command greater respect. In particular, it should be less prone to intervening in those decisions that reflect the striking of the difficult balance between competing rights and freedoms.

The matters on which I have touched this afternoon do not often hit the headlines. But they are, in my view, fundamental to the rights and freedoms of the people we represent in this House and to our ability to defend them. I believe that that ability has been seriously weakened in the 26 years for which I have had the privilege of serving here, and I hope that the next Government will be able to do something to redress the balance.

4.41 pm

John McFall (West Dunbartonshire) (Lab/Co-op): It is a privilege to speak in the Queen's Speech debate, and I welcome the Government's proposed Bills, especially on financial services and financial stability.

Like others, I wish to associate myself with the remarks made from the Front Benches about our troops in Afghanistan and elsewhere. I also commend my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), who has an office just along the corridor from mine. As they say in my community, he never leaves you with a broken heart—he always has a quip or funny remark—and today he cheered up the whole House. My hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) gave a clear analysis of where she comes from, her focus on social justice and why she is here. I commend her on her speech.

The issues that arise from the Queen's Speech are political issues, and the big issue is the role of Government. The divisions between the Government and the official Opposition are now clearer than ever. From my vantage point over the past few years, I have seen that state action on the economy is working, and we are still all relying on it. There is widespread agreement among economists and international institutions that the fiscal measures have helped to save us from the abyss. Without them, we could have faced not just a recession but a depression. Lord Skidelsky, the eminent economic historian and biographer of Keynes, wrote in September that during the great depression

"the world economy contracted for 12 quarters in a row. Now it looks as if the contraction will be limited to four quarters. The difference is...this time"—

Governments have—

"pumped money into the economy."

The Leader of the Opposition said in his speech at the Conservative party conference that the economic and financial crisis was caused by the fact that "government got too big". But there is an international consensus that the crisis was caused by the fact that regulation of the financial industry, among others, was not adequate

[John McFall]

No regulator in the world dealt with it adequately. When some of our biggest banks have come close to extinction, almost bringing our economy down with them, because they were poorly run, it makes no sense to say that government needs to be smaller. Indeed, the crisis has come about because government was too small in that area. We saw Adam Smith's "invisible hand", but we did not see Adam Smith's "visible hand".

Mr. Redwood: What did the regulators get wrong during the banking crisis? After all, they were new regulators, established by this Government with extra regulation. Why did that fail?

John McFall: I can point the right hon. Gentleman precisely to the Treasury Committee report on the run on Northern Rock. It was the lack of prudential regulation by the regulator. The regulator agreed, and indeed, its self-examination came to the same conclusion. Prudential regulation is very important—

Mr. Redwood *indicated assent.*

John McFall: I see that the right hon. Gentleman agrees with me.

Mr. Howard: The regulator on that occasion was the Financial Services Authority. The Gracious Speech proposes to give yet more powers to the FSA. Is not that a reward for failure?

John McFall: No, I do not think so. The regulator realised just how moribund it was in that situation. Lord Adair Turner acknowledged that in his report in March. The chief executive of the Financial Services Authority, Hector Sants, has also acknowledged it. I would like to see those powers being used by the FSA. However, the right hon. and learned Gentleman has made a point that was not covered in his speech, about closer co-operation between the Bank of England and the Financial Services Authority. If we want to ensure that we get through this economic crisis, we should not go for wholesale institutional change. Rather, we should bring the two institutions closer together. I well remember when the Governor of the Bank came before the Committee and I asked him who was in charge. He asked me to define what I meant. That is the issue.

Mr. Chris Mullin (Sunderland, South) (Lab): Was not the real problem the fact that both the main parties bought into the myth of light-touch regulation? Indeed, the hon. Member for Tatton (Mr. Osborne) was still making speeches about the need for more light-touch regulation long after it ceased to be fashionable.

John McFall: Perhaps I will leave it to my hon. Friend eloquently to make the partisan case, while I focus on the rest of my speech.

The Queen's Speech has highlighted another sharp difference between the Government and the Opposition: the Government are committed to spending money on those who need it most. This crisis has a social dimension, and we have to be alert to that. It is the most vulnerable groups in society who could lose out as a result of it. I welcome the Government's investment in protecting people's jobs and in ensuring that there is work or training for the 1.2 million young people who will leave education this year and next. When the general election comes, issues such as the role of the state will play quite a part.

Today, however, I want to focus on lending. A large part of the correspondence that I have received over the past year has focused on that matter. When the Governor of the Bank of England came before the Committee almost a year ago, he told us that lending was the biggest issue facing the economy, and it still is. According to Bank of England statistics, UK banks are still contracting their lending. This is particularly difficult for small businesses, which rely on the banks. The newest member of the Monetary Policy Committee, Adam Posen, recently said:

> "I am concerned because the financial system in the UK does not seem to have a spare tyre for the provision of capital to non-financial businesses when the banking system has popped a leak."

He added that there must be channels for non-financial companies, particularly SMEs—small and medium-sized enterprises—to get capital. Without that, there would be little scope for a private sector recovery. Without a return to lending, the recovery will be inhibited. Here, again, there is a need for the state to intervene. The Government—indeed, Governments globally—are the only show in town. Without Government intervention, to whom would we resort for that lending? Forty per cent. of the lending in the UK, which used to be provided by overseas banks, has now disappeared.

I have called on the Government to establish a public sector bank—for example, via the Post Office—which would be able to lend to creditworthy businesses and individuals when the private sector was unable or unwilling to do so. I welcome the Prime Minister's initiative on banking via the Post Office, but there is still a need for direct lending to individuals and businesses by the state. In that respect, I have an ally in Jim O'Neill of Goldman Sachs, who has made the very same point. There is a need for this provision, because good SMEs could go out of business as a result of the crisis, and we cannot afford that to happen.

Turning to remuneration and City bonuses, I welcome the Government's commitment to reforming the bonus culture. However, the issue at the heart of this matter is not just the bonuses but the incentive structures in the City. It is the incentive structures that we have to get right, because we have seen the situation being skewed by short-term rewards, while the long-term interests of companies have been neglected.

When the Governor of the Bank of England came before our Committee, he told us that the remuneration structures in the City of London encouraged people, in his words, "to gamble". He said:

> "It was a form of compensation which rewarded gamblers if they won the gamble but there was no loss if you lost it. It is obvious that if you do that you will give incentives to people to gamble."

This is not about the politics of envy, but about the implications for financial stability of bonus payments that reward excessive risk taking. It is also about how much money should flow to employees when the financial system is effectively supported by public funding and owners have lost money.

Capital has to be rebuilt. Some try to deny that bonuses played any role, but Joseph Stiglitz, the Nobel prize-winning economist, argued that bonuses played a

major role in encouraging reckless behaviour. Even bankers such as John Varley of Barclays and Andy Hornby of HBOS, when they came before the Treasury Committee, said that bonuses had been a contributory factor to the crisis.

This is why there is a strong case for granting the Financial Services Authority new powers and legal rights to "tear up" up employment contracts for bankers if the terms of those contracts encourage excessive risk taking or include multi-year guarantees. Such a power would be no more stringent than, for example, the power of the courts to declare a contract unenforceable if it breaks the rules, or indeed the Competition Commission's power forcibly to split up monopolies.

What we are witnessing at the moment is the possibility of a return to business as usual in the banking sector. We must prevent that return to business as usual. At the moment, policy makers worldwide are busy proposing reforms to make the financial system more resilient. The banking sector today has largely accepted, although not welcomed, the idea that change is coming and the regulatory environment will become tougher. Yet we are already seeing banks challenging that state of affairs.

One message that I have for the banking community—I have been in the City and spoken about this—is that the banks must put their heads above the parapet and discuss the issues now. Whether it be in television or radio programmes or other media appearances, we do not see many chief executives. They are hiding, and the danger that arises from that is that we will end up with inappropriate legislation as a result. If we want to change the system, we must have a vigorous debate in which those chief executives become involved. We have already heard some comments. For example, at an FSA seminar last week, Joseph Ackermann of Deutsche bank was saying, "Don't interfere. Keep the banks as they are." That is a danger. What I would say to chief executives and the banking community is that they should not just put money into public relations and promote their image; they should get on the same platform as the rest of us and debate that issue.

Chris Huhne: I am sympathetic to the right hon. Gentleman's case for the importance of bonuses in leading to potentially excessive risk taking, but I wonder whether he thinks it necessary to go as far as having new legislation, because the Financial Services Authority already has the power to increase capital requirements for financial institutions that, in its view, are taking extra risks. It could define that risk as including bonuses paid in the way that the right hon. Gentleman describes.

John McFall: I take the hon. Gentleman's point, but one of my recollections of the Northern Rock inquiry was the stand-off position that the FSA adopted regarding individual businesses; I mentioned that earlier in connection with the lack of regulation. The FSA thought that business models were not its priority, but I think that they should be, so we need a cultural change. I believe that we will therefore need extra powers.

The hon. Gentleman's question reminds me of the issue of insider trading. The FSA has been talking to me, and I have been talking to the Government, about the need to examine insider trading. We need to ensure that we have appropriate legislation; at the moment we do not have it. The more pressure we can put on the Government to ensure that the FSA has the powers to deal with insider trading, the better. I believe that in the future, given the cathartic experience we have had, regulation will be a competitive issue for environments in the future. If London develops a good regulatory framework, that will help it to maintain its position.

As for the issue of narrow banking, we must solve the problem of "too big to fail". If we do not, the status quo will continue. When he appeared before the Committee, the Governor of the Bank of England preferred to use the phrase "too important to fail". The problem, as he has noted, is this:

> "Anyone who proposed giving government guarantees to retail depositors and other creditors, and then suggested that such funding could be used to finance highly risky and speculative activities, would be thought rather unworldly. But that is where we now are."

Like the hon. Member for Twickenham (Dr. Cable), I see no reason for us to have a system that socialises the risks but privatises the profits. If a solution is not found, we will have to admit that we have not a free market in financial services, but a system of what could be described as communism for the rich, in which the state underwrites the enterprises and the bonuses of a select group of bankers. Of course we want the market to work—but in that case, the problem of "too big to fail" must be addressed. That is one of the issues on which the Treasury Committee will continue to focus.

Let me say something about mutualisation. One sad aspect of the financial crisis is that all the former building societies that demutualised in the 1980s and 1990s have disappeared. Perhaps there is a case for us to go back to the future. Mutuals have been shown consistently to give better service and better value for money to their customers than banks, and they consistently score higher in terms of customer satisfaction. I have prodded the Chancellor on this issue. He has said that he does not rule out the remutualisation of Northern Rock, but I agree with my right hon. Friend the Member for Norwich, South (Mr. Clarke) that this is an issue that the Government should take on board.

A big issue arising from the crisis, prompted by the response of the European Commission, is the issue of competition. We need more competition in the banking service. Adam Posen of the Monetary Policy Committee made the same point in his speech. If we do not have that competition—if we are dominated by five or six banks—we will have a monolithic structure. Another big issue is the idea of macro-prudential tools. What that rather fancy term means is anticipating the problems to a certain extent. Can we take risk out of the system? Absolutely not. Can we have a fire brigade that goes to the fire and puts it out before the whole building is on fire, which is what we have experienced? There has been great debate about who does what with the macro-prudential tools, but not about what the tools are. The Committee wants to impress that on the Government.

Public debt is another issue that we must consider as we move forward. I welcome the proposed legislation on fiscal responsibility, but I believe that we must not focus on spending cuts to the exclusion of the social dimension. Accompanying the banking crisis is understandable public anger about the current situation. When we go back to our constituencies and say that we have bailed out the banks, our constituents say, "But we need a new school," or, "We need more police on the

[John McFall]

streets," or, "We need better buildings and better education." That is what they think of the recapitalisation of the banks. We need to understand that, and to have a strategy to deal with it, but as yet the Government have no strategy.

If we proceed too quickly with spending cuts, the social costs will be extremely high. I was reminded of that yesterday evening when I went to a seminar involving City of London business people. The view was expressed from the platform that spending cuts, if taken too far, would plunge us backwards. Getting the public finances in order is important, but it has dangers if it is taken too quickly. We ignore the social costs of cutting spending at our peril.

There is a big job for the Government: the job of balancing the budget with a fiscal deficit strategy that is both transparent and realistic. That is the examination that the Treasury Committee is undertaking. At the same time, however, we must ensure that we stimulate growth and keep good companies going through this recession, and that we maintain prosperity and opportunities for our constituents and, not least, the young citizens of our country.

5 pm

David Maclean (Penrith and The Border) (Con): It is a privilege to follow the right hon. Member for West Dunbartonshire (John McFall). I commend him on his loyalty in supporting the Government's programme, but I must tell him that these measures will not achieve their main purpose: they will not put clear blue or even clear red water between the Government and the Opposition in polling terms. I have seen this before, in 1996, when we had a proper Queen's Speech of real measures that were good for this country. No doubt an element of it was also designed to expose the differences between us and the then Labour Opposition. What happened was that the Labour Opposition voted for most of it, and the public yawned and got on with the decision they had already reached, which was that it was time for a change. I therefore say this to the Prime Minister: by all means hang on and wait for "events dear boy, events," but it is naive and foolish to think that there are some bits of legislation that will suddenly make the public change their verdict on this Government.

Mr. MacShane: I accept the thrust of the right hon. Gentleman's argument, but can he therefore explain the following result in a by-election for a council seat a couple of weeks ago, when real British citizens were voting? The by-election took place in south Yorkshire and 2,500 people voted. The result was as follows: 1,500 for Labour, 600 for the British National party, 300 for the Barnsley Independent Group, 92 for the UK Independence party and 88 for the Conservative party. Surely the Conservatives should be doing a little better at this stage than winning the support of merely 88 out of 2,500 British citizens who cast their vote.

David Maclean: In answer to that, I say to the right hon. Gentleman that perhaps he should look at the generality of election results around the country. He need cast his mind back no further than the county elections of last May, or the elections of 18 months ago, perhaps.

I can understand why Labour Members are clutching at straws. I did a lot of whistling in the dark when I sat on the Government Benches in 1997. It did not work then, and I say to Labour Members that it will not work now—and it certainly will not work by passing legislation to enable the Government to halve the deficit in order to prevent themselves from undertaking more financial profligacy. The public will see through that.

It was a privilege to hear the speech of my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). I would hope that in a new Parliament that may not be tarnished with the same brush as this Parliament—unfair though that tarnishing is—Members will, with restored public integrity, have the ability and courage to begin to wrest back to this House powers that currently lie elsewhere. Some of my hon. Friends may think that some of those powers lie in Europe—I also subscribe to that point of view—but over the years I have observed the increasing amount of judicial review, which takes powers away from this House. That is one of the greatest threats that this Parliament faces.

I, too, however, will not waste more time on the legislative programme. Instead, I want to talk about climate change, which was referred to in the Gracious Speech—and also, briefly, by both Front-Bench spokesmen—since what this Government do on that in international negotiations during the last few months of their life will be infinitely more important than their legislative programme.

There is still some argument about the extent, nature and pace of climate change. I accept that climate change is happening, but no one knows the exact rate of that change. However, there is a massive change taking place in the world that is the prime contributor to climate change, and we can measure that to the hectare: day by day and week by week of the year, we burn 32,000 hectares of rain forest—9 million hectares every year, which is the size of England.

Why should that matter? If climate change matters—and it does—the only way to stop it is by stopping deforestation. Saving the rain forest, and other forests, is the key. Forests are critical to regulating climate. Any real solution to climate change requires not only a reduction in fossil-fuel use, but protection of ecosystems like forests, which are critical to regulating carbon. The Amazon rain forest has been described as the "lungs" of our planet, because it provides the essential world service of continuously recycling carbon dioxide into oxygen. More than 20 per cent. of the world's oxygen is produced in the Amazon rain forest, which also releases 20 billion tonnes of moisture every day, much of it watering crops tens of thousands of miles away.

Let us look at this another way round. I understand that the main thing we have to do to tackle climate change is to reduce carbon emissions, but the burning of the rain forest accounts for almost 20 per cent. of all such emissions in the world—that is far more than is accounted for by all the cars, lorries, buses, planes and ships in the world put together. Of course we in the western world have to do our bit to reduce transport carbon emissions, but if we do not halt the total destruction of our rain forests, we could close down all the transport in the world and we would still, eventually, die. Some say that the rain forests are very large and can easily take the loss of an area the size of England every year,

but at the present rate of destruction, they will be totally destroyed in 40 years' time. In just 20 years' time, there will be only half of them left and they may then be too small to act as the lungs of the world to give us the oxygen we need.

There is an infinitely greater reason for saving the rain forest than merely reducing carbon emissions, important though that is—the reason being that the rain forests are the "medicine cabinet" of the world, to steal another phrase from the Prince's Rainforests Project. As rain forest species disappear, so, too, do many possible cures for life-threatening diseases. Currently, 121 prescription drugs sold worldwide are derived from plant sources and 25 per cent. of western pharmaceuticals are derived from rain forest ingredients, but less than 1 per cent. of tropical trees and plants have been tested by scientists. So we have tested 1 per cent. and we are burning the other 99 per cent., yet we are getting 25 per cent. of our drugs from that 1 per cent.—that is a dangerous pyramid.

Why have scientists spent millions tracing every star back to the beginning of time but have not got a clue as to how many species we have on this earth or what unique life-saving properties they may have? Let us briefly consider the following facts: a single pond in Brazil can sustain a greater variety of fish than is found in all the rivers of Europe put together; a 25-acre area of rain forest in Borneo may contain more than 700 species of trees—that figure is equal to the total tree diversity of north America; a single rain forest reserve in Peru is home to more species of birds than are found in the entire United States; and the number of species of fish in the Amazon exceeds the number found in the entire Atlantic Ocean. I repeat my question: how can we in the west be so stupid as to destroy a habitat permanently when we have not looked at 99 per cent. of the species in it?

Some scientists estimate that we are losing more than 130 different species of plants and animals every single day because of rain forest deforestation—we just do not know, yet we are carrying on. Estimates of the total number of world species vary from 2 million to 100 million—the best estimate being that there are about 10 million different species of living things, which range from nematode worms, slugs, molluscs, plant life and fungi to trees, birds and the cuddly animals about which we worry. Only 1.4 million of the species in the world are named, and we do know the terrifying rate of loss of those species. The latest update by the International Union for Conservation of Nature was published on 3 November, just as we were about to prorogue. Its red list of threatened species showed that 17,291 species out of the 47,677 that it has assessed are threatened with extinction; some of those species are close to complete and permanent extinction. Its results reveal that 21 per cent. of all known mammals, 30 per cent. of all known amphibians, 12 per cent. of all known birds, 28 per cent. of reptiles, 37 per cent. of fresh water fishes, 70 per cent. of plants and 35 per cent. of invertebrates assessed so far are under threat. Hundreds have become extinct already. With enormous effort and tremendous will on the part of all Governments in the world, we can eventually reverse climate change, but we can never bring back to life a species that has been wiped out.

Biodiversity is not just about saving the red squirrels, polar bears, orang-utans, lemurs and tigers, as vital and close to my heart as some of those are. Of far greater importance to the planet are the plants and bugs that we never see and which are not cuddly. Most Members have recently become very concerned about the plight of the bee population, not just in Britain, but in Europe and north America. That tiny insect, which we have taken for granted for millennia, holds the key to huge quantities of our food production. That is just one insect that we know about and which we have studied. We kind of know its place in the jigsaw of the survival of humankind, but why, therefore, do we carry on destroying without checking hundreds of other species whose role we have not studied and do not understand, but which might be equally crucial?

The United States National Cancer Institute has identified 3,000 plants that are active against cancer cells, 70 per cent. of which are found in the rain forests, and as I said, 25 per cent. of the active ingredients in today's cancer-fighting drugs come from organisms found only in the rain forests. We are destroying the only source of those drugs.

On a less important level, at least 80 per cent. of the developed world's diet originated in the tropical rain forests. Their bountiful gifts to the world include: fruits such as avocados, coconuts, figs, oranges, lemons, grapefruits, bananas, guavas, pineapples, mangoes and tomatoes; vegetables, including corn, potatoes, rice, squash and yams; and spices on which we depend, such as black pepper, cayenne, chocolate, cinnamon, cloves, ginger, sugar cane—I shall not read out a lexicon—coffee, vanilla and Brazil nuts. At least 3,000 different fruits are found in the rain forests, of which we, in the west, eat about 200 at the most. The Indians of the rain forest use more than 2,000.

The magnitude of the loss to the world was most poignantly described by Harvard's two-times Pulitzer prize-winning biologist, Edward O. Wilson. In 1993, he said:

> "The worst thing that can happen during the 1980s is not energy depletion, economic collapse, limited nuclear war, or conquest by a totalitarian government. As terrible as these catastrophes would be for us, they can be repaired within a few generations. The one process ongoing in the 1980s that will take millions of years to correct is the loss of genetic and species diversity by the destruction of natural habitats. This is the folly that our descendents are least likely to forgive us."

He said that about 15 years ago, when rain forest destruction was in its infancy—it is 10-times worse today. However, like other scientists, and his Royal Highness the Prince of Wales, he has a solution: to make the forests more alive than dead. We can harness the power of markets and global capitalism to save the world's forests. The Darwin initiative shows that 41,000 hectares of rain forest have been protected in Indonesia using market forces.

The point of my speech is to say to the Government that the one deal that they must do in Copenhagen next month is on concerted action to save the world's rain forests. I believe that a rain forest plan is on the agenda. We need not conventional overseas aid, but a new, verifiable and rapid system of carbon credits, properly and legitimately traded on the world market. Those countries with rain forests have a natural resource that the world needs—we need them, so we should pay for them and save them. Those of us who produce carbon should therefore pay those who have carbon sinks. That is not rocket science: we know that it can work—there

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have already been experiments—and we can easily police it with modern technology. What we now need is international action, led by the Prime Minister in Copenhagen, to make it work.

The cost of halving deforestation is estimated at £25 billion over the next five years, but the Government's Eliasch review estimated that the benefits of saving our forests could be as much as £2.5 trillion. When my right hon. and learned Friend the Member for Folkestone and Hythe gave me the incredible privilege of negotiating at the Earth summit in Rio in 1992, with him and the then Prime Minister joining us for the concluding week of the conference, forests were also on the agenda.

In 1992, the concern was that India was burning huge amounts of local timber for domestic fuel consumption and contributing to carbon emissions. I am therefore concerned to read that we are building large wood-fired power stations in the UK and importing the timber to fuel them. If the wood being burned is waste wood, then okay. If thinnings and willow coppice are being burned for power, probably with garbage added too, then I am happy with that. However, if we are stripping our northern hemisphere forests, which are also carbon sinks, I will be concerned, because we could be doing the wrong thing and being hypocritical.

If in the next few months the Government want to show that they are doing things to be on the side of the angels, they should come back from Copenhagen with a deal on saving the rain forests. We should forget about the rest of the measures in the Queen's Speech and concentrate on the climate change agenda and the world's rain forests. Later today or tomorrow, I shall put down an early-day motion on the Prince's Rainforests Project, which I urge colleagues to sign. He says at the end of his booklet:

"If we lose the battle against tropical deforestation, we lose the battle against climate change. Please join me in trying to save the rainforests—for the sake of our children and grandchildren."

As John Sawhill of The Nature Conservancy said:

"In the end, our society will be defined not only by what we create, but by what we refuse to destroy."

5.17 pm

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful for the opportunity to follow the right hon. Member for Penrith and The Border (David Maclean), who made not only an eloquent speech on Copenhagen and deforestation, but a moving speech. I have always admired the way that he speaks and have always told him that privately, although I have always been a little bashful about following him. I should also say—he did not say this himself—that, so far as I am aware, that was his last speech in the debate on the Loyal Address, and the same is true for the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). The points made by the right hon. Gentleman in the early-day motion that he will table will be well received and thoughtful, and contribute enormously to the debate.

I would add in passing that the Leader of the Opposition invited the Prime Minister to introduce a Bill to implement Sir Christopher Kelly's report and his recommendations. Sir Christopher Kelly has made 66 recommendations. I defy any Member to say at this stage that they have read them all—even I have had some difficulty getting through them all. However, the Leader of the Opposition did not point out that Sir Thomas Legg is carrying out a review of five years of allowances that will be published on about 14 December. He also did not refer to the Independent Parliamentary Standards Authority, which the House agreed to almost unanimously in the summer. That new independent parliamentary body will take out of Members' hands the right to have any say whatever on their allowances, with a statutory requirement to consult a series of bodies. All that has been designed to take allowances out of the controversial arena of public opinion, so that we can get to a general election and fight it on the issues in the Gracious Speech.

Mr. MacShane: I wish that the Leader of the Opposition were still here, although I pay tribute to him for staying for some of the speeches. Does my hon. Friend agree that the Dutch auction on parliamentary allowances and expenses between our respective party leaders cannot continue? Each of them has tried to be a bit more sanctimonious and holier-than-thou than the others. The issue had no impact on the Glasgow election last week, or on council by-elections. It is time for us to shut up about the matter and let Sir Christopher's suggestions be considered by IPSA. If we do that, we might begin to make some progress.

Sir Stuart Bell: I am grateful to my right hon. Friend for his intervention. All opinion polls show that, when asked which issues concern them most, only 8 per cent. of people say that they are worried about the allowances of Members of Parliament. When they are asked about their specific Member of Parliament, only 4 per cent. disapprove of what he or she is doing. I concur entirely with my right hon. Friend that a period of silence from all party leaders would be helpful, because they have not helped: in fact, they have weakened the institution of Parliament, which seeks to hold the Executive to account. If I may say so—I do so with some reluctance—I believe that other people in positions of seniority in the House might also feel that we should leave those matters to IPSA.

The leader of the Liberal Democrats talked about electoral reform—another topic that will rise in the political scene as we approach a general election. We live in the modern era, and my right hon. Friend the Member for Norwich, South (Mr. Clarke) also referred to electoral reform, so it is clear that it is a major issue that we will have to face at some time. However, the essence of electoral reform is not only to bring us closer to our constituents and citizens, but to ensure that the House maintains its sovereign authority.

In speaking about today's Gracious Speech, my right hon. Friend the Prime Minister referred to Iran, Iraq and Afghanistan, as well as many other world issues, and the right hon. Member for Penrith and The Border talked about Copenhagen. Those are the major issues of our time, and they can be dealt with in this House by hon. Members holding the Executive to account. As the right hon. and learned Member for Folkestone and Hythe noted, the more we weaken the institution, the more we remove its powers, and the weaker we become, the less able we will be to represent our constituents and look after their interests. If we are to go down the road of electoral reform, it is extremely important that this

institution is strengthened. *[Interruption.]* I know that my right hon. Friend the Member for West Dunbartonshire (John McFall) is following my speech with the greatest care, as I followed his. He made a number of statements that of course I fully accept and support. He talked about big government being followed by little government, and that reminded me of a conversation that I had many years ago with Sheikh Yamani—the oil sheikh out of Saudi Arabia—who said that, if a person has one leg in ice water, it does not help him much to put the other one in boiling water. Big government may not be the flavour of the day, but that does not mean that little government will be better. We must be very careful about moving from one extreme to another.

John McFall: Economists would call having one leg in boiling water and the other elsewhere a balanced outcome, but it would not do anyone any good.

Sir Stuart Bell: Yes, and that reminds me of the statement by Maynard Keynes that in the long term we are all dead. Economic forecasters have lots of ways to explain and describe where we are, but none of it makes much difference in the real world.

I return to the Gracious Speech, which gives the Government of the day an opportunity to set out their stall. What could be better than a stall that will ensure sustained growth and the delivery of a fair and prosperous economy for families and businesses? Even though this parliamentary programme may be limited to no more than 70 days, the Government have set out a stall that is based on conviction. The Government can be a force for good, with a programme that seeks to ensure the end of the global economic downturn in our country and rebuild prosperity on the basis of a fair society.

It has been said that Conservative peers in the other place may try to halt the passage of legislation from this House, because the general election will be no later than next June. I note that neither of the Opposition leaders actually followed that line, but the Lords might, if that is their inclination, remind themselves of Harry Truman's presidential campaign in 1948, when he criticised a "do nothing" Congress that held up his Bills. He won the election. If there were opposition to some of the legislative proposals in the Gracious Speech and attempts to block measures such as those to enable wider provision of free personal care to those with the highest care needs, to introduce guarantees for pupils and parents to raise educational standards or to try to protect communities by ensuring that parents take responsibility for their children's antisocial behaviour, the public might reach their own conclusions about which party cared more for the society in which they live and which party had a true sense of natural justice and really believed in a fair society.

The measures outlined in the Gracious Speech will advance our citizens along the paths of natural justice and fairness. There are welcome measures to reinforce, reinvigorate and strengthen regulation of the financial services industry to ensure greater protection for savers and taxpayers. The proposition of the hon. Member for Twickenham (Dr. Cable) in today's *Times* that there should be a 10 per cent. levy on bank profits has not been taken up by the Liberal Democrat Opposition leader, although he did take up other proposals, such as the separation of investment banks from retail banks—the so-called Glass-Steagall proposals that were referred to earlier. My right hon. Friend the Member for West Dunbartonshire, the Chairman of the Treasury Committee, who is following my remarks with great interest, mentioned a number of proposals for necessary banking reforms. He did not mention securitisation and the need for banks to get back on that route, which is being looked at carefully and will help to put the banking system back on to an even keel.

While we are talking about the banking sector and bank bonuses, we should remember that not one depositor in our country lost money when the banks moved into difficulty. That remains the case. Not one bank has gone to the wall—unlike in the 1930s—and however much we may complain that the banks have put constraints on lending to the small and medium-sized business community, we have to recognise that it is only through bank lending that we shall get back to growth and investment in the public and private sectors.

"Where are the snows of yesteryear?" François Villon once said. What happened to all the terrible things that were supposed to befall the British economy since the last Gracious Speech? Where is the depression that was forecast? Where is the inflation? Where is the deflation? Where are the 3 million unemployed? Have we lost the confidence of the markets? Have we lost our triple A ratings? "I have had a great many worries," Dean Inge once said, "but most of them never happened." If all those things have not happened to the British economy it is because of the measures that Her Majesty's Government took in the Gracious Speech last year and in the pre-Budget report that went hand in hand with it.

Incidentally, the Government persuaded the international community to adopt the self-same measures. They have lessened the impact of the global economic downturn, through help for small businesses. There is financial help from enterprise finance guarantees, working capital guarantees and capital for enterprise funds, none of which works with the 24-hour news cycle, yet they ultimately have an impact on reducing the consequences and effects of recession. Low interest rates set by the Bank of England at 0.5 per cent., quantitative easing to the tune of £200 billion, the reduction of VAT from 17.5 per cent. and a fiscal stimulus referred to again today by the Prime Minister have all pulled together to ensure that the downturn is shallower than it might have been and less enduring—one corner being turned leading to another, so that by 2011 economic growth rates will be as they were before the downturn.

Mr. Redwood: Australia and India had no downturn. What did they do right and what did we do wrong?

Sir Stuart Bell: That is a very interesting question in the context of the global economy. Many countries in Asia were afflicted by the global downturn, as was Brazil in south America. We cannot compare such different economies with our own, which is an industrial economy—an advanced economy—within the European Union. I have heard comparisons made with the German economy, which, we are told, is pulling out of the downturn before our own. In fact, Chancellor Angela Merkel, speaking to the Bundestag on 10 November, made it plain that the Federal Republic was going through the worst downturn in its history: growth had plummeted five times further than the hitherto harshest downturn in the early '70s and major banks were still dependent on state assistance. In the words of Chancellor Merkel,

"Germany is facing a harder test than at any time since reunification".

Mr. MacShane: Is not the answer to the right hon. Member for Wokingham (Mr. Redwood) very simple? In India, there is far greater state control of the economy, well beyond what any Opposition party in this country would propose; and the Australians had the good sense to reject a Conservative Government and to elect a Labour one.

Sir Stuart Bell: I am grateful to my right hon. Friend for answering the question much more eloquently than I did. He thinks on his feet more quickly.

Mr. Brooks Newmark (Braintree) (Con): Unfortunately, I do not think the right hon. Member for Rotherham (Mr. MacShane) did answer the question. The reason why Australia and Canada's institutions have fared better is that they did not have the same lending policies as ours: their debt ratios were much lower and they did not have aggressive policies on lending to the housing sector. The hon. Gentleman refers to Germany, but that country is already coming out of recession, as is France. Why is the UK not following suit?

Sir Stuart Bell: I am happy to respond to that intervention. The hon. Gentleman makes a valid point about the debt ratio. We moved into a position—light-touch regulation has been mentioned—where debt became easy and available. The sub-prime mortgage market in the United States, which was the original cause of the economic downturn, enabled house ownership to increase from 55 to 65 per cent., and everyone welcomed that. Everyone welcomed the situation where the debt ratio was going up and up; no one saw that, like a rocket, it would have to come down.

As for comparisons with Germany and France and comparative rates of growth, or lack thereof, even the Bank of England in its inflation report declared that evidence from business surveys and the pattern of past revisions—in this case, of the forecast for the third quarter from the Office for National Statistics—showed that its minus 0.4 per cent. estimate was likely to be revised upward. When that revision takes place, as it will, the hon. Gentleman will see that we are, in fact, in line with the French and the Germans and, essentially, with the eurozone.

Dwelling on the macro-economic steps for a moment, we see that we have achieved a great deal, as the Prime Minister said. Fewer jobs have been lost and there has been more investment in local economies. For the micro-economy—the people on the ground—in last year's Gracious Speech, the Government placed emphasis on workers, families and small businesses to alleviate the effects of the downturn. What steps have we taken to help ordinary people and their families? We have provided extra mortgage protection to help families to stay in their homes; given a £145 tax cut for 22 million basic rate taxpayers; cut VAT; increased child benefit and child tax credit; given an extra £60 payment to pensions on top a rise in the state pension; increased the pension credit to a minimum £130 a week; and given a winter fuel payment of £400 for over-80s households and £250 for the over-60s.

The Government have invested £5 billion to help people back to work and helped 300,000 people to stay in their homes by providing help and advice on paying their mortgages. Mortgage arrears and repossessions are running at about half the rates at which they peaked in the early '90s. Many headlines have been written about youth unemployment, which is a matter that would, and does, dismay any Government. Although it is overlooked—the Prime Minister sought to rectify that today—the Government have provided extra cash to encourage employers to recruit people without jobs. The Government have stepped up training and support for people who need to get back to work, with guaranteed work or training for 18 to 24-year-olds unemployed for 12 months. In a time of global downturn, 1.7 million more people are in work than if the experience of the 1990s were repeated.

When I was a child attending chapel, rather than the Church of England, I recall a visiting preacher who said, "Where are the men of vision?" In this day and age, it would be, "Where are the men and women of vision", and so it should be. Those men and women of vision are not, I surmise, to be found on the Opposition Benches. I have not heard any great policies in today's responses to the Gracious Speech. They do not regard the glass as half-full, but as half-empty, and they would not accept the John F. Kennedy principle that when the going gets tough, the tough get going. A time of global downturn can be a time of opportunity: of building up the national health service, which a Labour Government created; of laying the foundations for a new national care service, to which reference was made in the Gracious Speech; of raising standards still further in our schools; and of seeking values of fairness and responsibility for all our people; and of never losing sight of these values, even in a downturn.

The Gracious Speech emphasised the steps taken to strengthen the overall economy and to ensure, too, that the budget deficit will be reduced and that national debt is on a sustainable path, with legislation to bring that about. A strong economy means a strong economic basis, and a strong national economy means a strong local economy. The price of freedom, as Winston Churchill told the Italian people towards the end of the war, is eternal vigilance. On Teesside, MPs will continue to be vigilant in following the development of the Corus steel mill, and vigilant about the future of our chemical industry. My hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) will no doubt catch your eye later, Mr. Deputy Speaker. He is a great friend of the manufacturing sector, and I am sure that he will add his own remarks. On Teesside, steel and chemicals have been the heartbeat of our industry for many years. As we saw when the North East Regional Grand Committee met at Middlesbrough on 25 September, all the MPs in the region are dedicated to maintaining those industries, and they are dedicated to the work force, to production and to the future of the steel and chemical industries in the global economy. The Government also take a strong interest in those matters, as we saw from the Grand Committee speech by the Minister for the North East.

A great deal has been said today by Members, including the right hon. Member for Penrith and The Border, about the forthcoming conference at Copenhagen. The Prime Minister spoke about vision and resolve, and intermediate targets. In the Gracious Speech, the Government declared that they would seek effective global and European collaboration through the G20 and the European Union to sustain economic recovery and combat climate change, including at the Copenhagen

summit next month. I therefore welcome the Government's commitment to the summit in the Gracious Speech. It is three weeks to the climate change conference, which seeks to pick up where the Kyoto protocol left off, and there is now closer co-operation between the United States and China, following the President's visit to China and his talks with President Hu. We are seeing movement towards progress, even though it is not entirely clear that there will be a binding agreement at Copenhagen.

I turn briefly to the European Union, which is a great subject in the House and will be for many years to come. The treaty of Lisbon has been ratified by 27 member states. The president, with a maximum term of five years, will be appointed on Thursday and a High Representative will also be appointed. The forward march of the Union can now be continued in the development of a common foreign and security policy, an environmental policy to be expressed at the Copenhagen conference and immigration and energy policies, all to the benefit of the British people. It may be a paradox, but the current economic downturn means that our active membership of the Union is more important than ever for our prosperity.

I do not wish to detain the House as other Members wish to speak. With reference to the conclusions of the Gracious Speech and the statement that I made a little earlier, the House of Commons must come to terms with major issues of our times, such as Afghanistan, Pakistan and the middle east. All these matters must come together, and we must be not only the debating Chamber for all these issues, but the focal point of the country.

During the Falklands war, the great focal point was the fact that on the Saturday morning the House met and calmed down the British people. A clear line was given by the Prime Minister of the time and that line was followed. In so far as we allow ourselves to take routes such as those down which the media will take us, such as obfuscation and confusion, the House of Commons will never be itself. We have gone through the difficult period when the focus was on allowances. We should come out of it and restore the reputation and confidence of the House from within and towards the British people.

I commend the Gracious Speech to the House, and I commend the Government's proposals. We will have an interesting debate up until the general election. It will be based on issues and clear differences of policy. At the end of the day, the British people will come to their own conclusion. When that conclusion is reached, it will be more supportive of Labour than the opinion polls show.

5.42 pm

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Following on from the hon. Member for Middlesbrough (Sir Stuart Bell) and his concluding remarks in particular, may I point out that many of us felt, long before the allowances issue or the expenses scandal—choose your terminology as you wish—earlier this year, that there was a distinct sense of drift about this Parliament? Curiously, that goes right back to the aftermath of the 2005 Labour general election victory. I was struck by how soon after the historically successful outcome of that election, among colleagues and friends in the parliamentary Labour party, the plot internally moved on to the question of how long Tony Blair would stay and, if it looked as though he was going to stay too long, what means could be found of moving him out sooner rather than later. We saw a failed attempt at that. Eventually Blair did go and the present incumbent came in. What finished it for him was the election that never was. He must look back now not in anger but in sorrow at the missed opportunity that he had.

We now find ourselves at the tail-end of this Parliament. The late Roy Jenkins once said to the present Prime Minister when he was Chancellor that if he inherited the Labour leadership and the premiership with it, he would not want to inherit it in Callaghan-like terms, taking over when things had already gone wrong and managing as best he could towards probably inevitable defeat. That is the strong sense that we have about the drift that has characterised the past 18 months, made disastrous by the international circumstances and particularly the parliamentary circumstances of the past six to 12 months.

Mr. MacShane: Would the right hon. Gentleman care to reflect on changes of leadership in his own party?

Mr. Kennedy: Yes. The Liberal Democrats have an awful lot to answer for in this Parliament, because, having been first out of the trap on that issue, we found enthusiasm for it. I had almost lost count of the number of leaders we went through before we reached this happy situation—where we are now and will, I hope, remain for many years to come. Other parties have followed suit, and I can only say that our position, looking towards the next election with our change of leadership over and done with, is happier than that of the right hon. Gentleman's party. I wish him well in the future leadership contest or contests that he may have to look forward to. It is not so much a case of waiting for Godot as waiting for Gordon, but the Prime Minister should remember that "Waiting for Godot" was always defined as a two-act play in which nothing happened twice.

This has been something of a broken-backed Parliament, certainly since the expenses issue, and today we have had a very thin Queen's Speech. That is out of necessity. I do not blame the Government, because all Governments legislate far too much anyway, and a more limited Queen's Speech is rather welcome. However, something struck me about today—it was true this afternoon and when the House convened for Prayers this morning. As I said, it is a thin Queen's Speech and that is a product of necessity, but there is a rather thin sense of occasion about everything—in terms of attendance, energy about the place and the inescapability of the political choice that we all know is only five or six months ahead of us.

That sense of dispiritment, which goes to all parts of the Chamber, is more than a reflection of the turnout in the parliamentary by-election in Glasgow just a few days ago. Indeed, that was the worst turnout for any Scottish parliamentary by-election in modern times: two-thirds of the electorate did not even participate in the choice of a new Member of Parliament. As my right hon. Friend the leader of the Liberal Democrats said earlier, we really must look beyond the content of the Queen's Speech today to the wider political vista over the next few months. The challenge is upon us all to try not only to gear ourselves up again, but to re-engage the electorate along the way.

[Mr. Charles Kennedy]

My right hon. Friend was right to speak about the broad issues, most of which do not feature today. However, in the cause of reform, I welcome the further nod in the direction of the House of Lords. Let us hope that we do not have to nod in its direction too much longer, and that we bring it on to a properly accountable, elected, basis like the House of Commons. It is only a century overdue.

There is also a nod in the Queen's Speech to the final report of the Calman commission on the ongoing evolution of Holyrood and Scottish devolution. I do not intend to get into a great debate about that this afternoon, but one irony of the expenses scandal is that it has made many people—not just elected Members but those in authority in and around the Palace of Westminster—realise that there are other ways and—would you believe it?—better ways of managing parliamentary institutions. Lessons can be learned from the new devolved institutions. That is true of the way in which Holyrood has managed expenses, and it has also been proved true in legislative terms. For example, there is pre-legislative scrutiny, which this House has now embraced and which all of us, who have had any experience of it, would say is a good way of widening people's participation in, and influencing of, legislation in a more consultative way than ever. We can learn from elsewhere.

John Hemming: Does my right hon. Friend agree that, in having a business management committee, Holyrood provides another lesson that this House could learn?

Mr. Kennedy: I most certainly do. I suggest to the next House of Commons, and to whichever party or combination thereof forms the next Administration, that they look at the basis on which Parliament is structured, so that the relationship between this body, the legislative body, and the Executive is defined more rationally and reasonably.

I hope that this side of Christmas we will see the publication of greater intent on the part of the Government politically in terms of their response to Calman, if for no other reason than that that would greatly inform the debate in Scotland at the next UK general election. Labour, the Liberal Democrats and the Conservatives have all signed up to this, although I would like to see the full colour of the Conservatives' money. Those of us who want to continue to reform and improve the United Kingdom—in my preference, in a more federal direction—without seeing it separated out into constituent parts would like that argument, in its varying shapes and forms, to be on the front foot, and the nationalist alternative to be very much where it belongs, in a UK Westminster election, as something of a sideline, or certainly on the back foot. I hope that the Government will take note of that in the light of what is in the Queen's Speech.

I want to touch on two specific measures, particularly from a constituency point of view. Both are broadly welcome, and I think that my experience locally will be not dissimilar from that of colleagues in all parties and in all parts of the country. First, the Government have spoken about energy policy in the context of the wider environmental issues. Copenhagen has been mentioned, and we hope that that will yet succeed. Earlier this year, I was able to introduce a private Member's Bill on this subject. I can see that by fortuitous coincidence the Minister who was involved, the Under-Secretary of State for Energy and Climate Change, the hon. Member for Stafford (Mr. Kidney), has just arrived on the Treasury Bench. The Bill was probably not going to make much headway, but we were able to discuss the broader issues of carbon capture and storage and whether there might be a window of opportunity to deal with them in the Queen's Speech. I know that he, like me and many others, will welcome the fact that that has proved to be the case, which is a welcome step forward. May I enter a plea to the Government? Against the backdrop domestically, by which I mean domestically in this country and in terms of people's fuel needs and consumption in their homes, lower energy prices mean that we need to maintain the political pressure, right across the board, on the big suppliers to continue to invest in energy-saving devices and technology generally if there is to be the proper return that we would look for.

The Government say that they will want to further the whole issue of energy in the legislation announced in the Queen's Speech. That is very significant for those in fuel poverty. Let me give an example from my constituency. A couple of days ago, the citizens advice bureau for Skye and Lochalsh issued a statement in which it described many of its clients as drowning in debt. That is because, as in so many places, unemployment has gone up, incomes have not risen, certainly in the case of pensioners and those on low earnings, and people's financial reserves, if they had any in the first place—those who I am talking about probably did not—have been all but exhausted. The category of families and households who have to spend a large proportion of what domestic income they have—a good deal of which probably comes in the form of state benefits of one kind or another—on their fuel needs, and who therefore find themselves in fuel poverty, is very marked. When the Government are considering this legislation, they must recognise those people's circumstances, particularly in relation to heating fuels. This time last year the Prime Minister talked a good game on energy conservation, but a lot of it has been left to the big energy firms, and the reality does not always match the aspirations set out by the Head of Government himself.

I mentioned the area of Skye and Lochalsh in my constituency. Last month, a constituent on the Isle of Skye was informed, at the hands of BP, of an increase in the unit cost of liquid petroleum gas by 50 per cent. in a single increment. When I raised the matter with BP, it responded that as a global company fuel poverty was not something that it could be concerned with. It said:

"The issue of fuel poverty is clearly a very serious problem, and the best way to alleviate it in the long term is to ensure a competitive market, and to encourage efficiency in both the production and use of energy."

We would all say amen to that. However, it goes on to say:

"But in terms of addressing the social consequences of fuel poverty today, this must be an issue for government in determining how best the tax and benefit systems should alleviate the hardship. Fuel poverty levels differ in both scale and severity across the world, and a global company such as BP has neither the legitimacy nor the ability to deal with this problem on a national basis".

There is a big argument in this respect; time does not allow for it today, but it can perhaps be gone into in greater detail when the legislation is introduced. The

Government have left it too much to the six biggest energy companies to take action, particularly as regards social tariffs, and have done nothing to address the rest of the energy sector. When one sees the dramatic impact that that can have on a single household in a remote and isolated part of the United Kingdom, one realises that the difference between the rhetoric and the reality at a local level becomes very marked. I hope that the Government can deal with that properly in the legislation.

Tim Farron (Westmorland and Lonsdale) (LD): Does my right hon. Friend agree that in rural and upland constituencies such as his and mine, the Government have seriously missed a trick when it comes to taking advantage of the natural renewable resources that exist there? I am thinking particularly of anaerobic digestion and hydro power. Given that there are 38 anaerobic digesters in this country compared with 25,000 in Germany, and that in my county of Cumbria, which has the fastest falling water in England, there are only four working hydro schemes, does he agree that the Government need to give much more attention to that aspect?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. May I say to the hon. Gentleman that it is not very helpful for him to turn his back on the Chair? It means that his words are less easily recorded by the Official Reporters.

Mr. Kennedy: My hon. Friend is absolutely correct. Two words that I am happy to re-record for the *Official Report* are "hydro board". Not only do I come from the home of Scottish Hydro Electric, which is in the highlands of Scotland, but my father's employment for many decades as draughtsman with the old Hydro-Electric Board brought in the money that put food on the table in our house, so it is very much part of the family in that sense. Tom Johnston, the post-second world war Labour Secretary of State for Scotland—a great political figure of his time and one of the great definitive Scottish Secretaries in a century of that office—spoke about power to the glens when referring to the development of the hydro schemes of that time. In terms of social impact and economic well-being, those schemes probably did more than anything else in history to transform for the better the prospects of our part of the country.

I want to look forward to something that has an equal role to play and represents something as revolutionary as did hydro power in its time in the highlands and islands generally. Broadband is another issue to which the Government have given welcome attention in the Queen's Speech. I want to enter another plea. I represent a part of the country where a significant number of people have no broadband, or have broadband connections only by means of satellite because of their distance from an exchange. It is hard to help those categories of people.

However, broadband provides the big, historic, electronic opportunity to overcome at speed the disadvantage of those in the Lake District, part of which my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) represents, or in my part of the country or any other of the peripheral parts of the UK's islands. Those parts of the country are at a natural economic disadvantage, for all the obvious reasons, including geographical factors such as transport infrastructure links, distance from the larger markets and the higher prices it costs to import raw materials that can be used to make something that can be exported from an area. Ironically, our areas find it most difficult to get the access that would begin to create the sense of a more level playing field. We have suffered the disadvantage of the uneven playing field for so many years and decades past.

Mr. Alan Reid (Argyll and Bute) (LD): My right hon. Friend is perfectly correct. I was on the Isle of Coll on Saturday and found that there is a limit to the number of available broadband slots, and that BT seems to have been operating the situation very haphazardly. For example, when a constituent who came to my surgery moved house, he lost his broadband connection, and the slot was allocated to the lucky person who happened to phone BT on the day he moved. That is haphazard. My right hon. Friend is right: we need a system of universal broadband to cover the whole country.

Mr. Kennedy: I completely endorse what my hon. Friend says. I have noted time and again in my constituency precisely the kind of anecdotal example to which he draws the House's attention. Indeed, if I have any sympathy at all, it is not for the Government, who are trying to deal with these problems, but for the *Hansard* Reporters during my short contribution. Given the many locations I have mentioned and the contribution of my hon. Friend the Member for Westmorland and Lonsdale, this is becoming a bit of a round Britain quiz, but that at least makes the point that broadband is vital precisely because of the nature of the communities that we represent.

In the mainland area of the Highlands, which encompasses quite of lot of my constituency, the city of Inverness, and the larger towns, such as Dingwall and Fort William, everybody should be able to access a universal standard. However, getting the edge on broadband speed is important when it comes to fast-tracking the next generation of broadband. Representatives from across the political spectrum and those of us in elected public positions have learned—from our own work as MPs, but certainly from schools, the vital public services such as the police, hospitals and the health service, and business generally—that providing broadband services is the big problem that has to be overcome more successfully if we are to have a properly and fairly connected UK operating with the economic success that broadband technology can bring.

Although there is not long left in this Parliament, there will at least be further parliamentary time to debate the social opportunities and social injustices of fuel poverty and fully flexible and modern broadband connections, which are insufficient at the moment. The time available to us, as representatives, can be well spent discussing those matters.

Finally, I welcome the obligatory reference at the outset of the Queen's Speech to Europe. That reference is encouraging because of the history and future of the fuel poverty and broadband issues that I have raised—and not only for the area that I represent, but for the country as a whole. An awful lot of the decision making is now done at European level, and rightly so. The infrastructure investment that becomes available is crucially

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dependent on our being able to attract funding from the EU, and to match funding out of our UK coffers for the funding that is available from the EU. That underpins the need for this country to have an ongoing, sane and constructive engagement at a European level.

Although I have great and deep criticisms of the Prime Minister and his predecessor for having missed tremendous, historic opportunities for this country where Europe is concerned, I none the less feel reassured that this Queen's Speech acknowledged Europe's role in a sane and rational way, even if I would like the Government to be more ambitious in their approach. Heaven knows what kind of approach would be signalled following a change of Government and a Conservative Queen's Speech in six or seven months. I hate to think of the damage that that would do to the long-term interests of all our constituents.

6.6 pm

Mr. Denis MacShane (Rotherham): It is a great pleasure to follow the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy). I do not want to talk about Europe at all this evening, but I entirely agree with him. The new alliance that the Conservative party has formed with some of those east European politicians is of the most dubious sort. There was a remarkable article by the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague), in the *Financial Times* on Monday, in which he called for a minor figure to be appointed as the new president of the European Union. He may well get his wish, but that would be entirely consistent with what the European Commission and the Brussels bureaucracy want. The role of president of the European Council was originally conceived precisely as a voice of the nation states of Europe and as a counterweight to the full-time Brussels bureaucracy. I am afraid that if the right hon. Gentleman's wish is granted, he may find himself with a strengthened, rather than a weakened, Brussels machine for this country to deal with.

I have enjoyed all the speeches. Members come and go, which is as it should be, but it is a shame that the Chamber is so empty. The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) talked about the shift of power from Parliament to judges, but if we are absent from such debates—I confess that with a lot of European engagements and serving on the Council of Europe, I am sometimes, regrettably, absent—we have only ourselves to blame. I wonder whether we might look at the new nudge theory, which is very fashionable at the moment.

Andrew Mackinlay (Thurrock) (Lab) *rose—*

Mr. MacShane: I will give way to my hon. Friend who, I am deeply disappointed to say, is leaving the House. He is an adornment to it, and those of us who are lucky enough to be returned will miss him desperately—and if, after that, he has anything to put to me, I shall willingly take it.

Andrew Mackinlay: I am slightly embarrassed, because after the nice things my right hon. Friend has said, I am going to ask him this question: is he going to stay to listen to my contribution? That is the problem. I am rather old-fashioned—one could even say a shade conservative—and I believe that hon. Members should stay to the end and listen to all the winding-up speeches. An awful lot of folk who spoke earlier are not here now.

Mr. MacShane: That is a very fair question, and I shall wriggle on the answer, if I may. I certainly hope to come back for the winding-up speeches. There is a farewell dinner for retiring Yorkshire Labour MPs, for which I have already paid my contribution, and I feel that in due course I ought to go to it, but I will almost certainly read my hon. Friend's speech—if he makes one—with great interest, as I read everything he says here, in *Hansard*.

To return to the nudge theory, and as we look at this wretched problem of pay and allowances, perhaps we should consider having part of our pay in the form of remuneration for attendance in the Chamber. I do not want to start new hares running, but if hon. Members got £1 a minute for coming in, and we lost it if we left, and if that substituted for part of our fixed salary, it might encourage a few more to stay in the Chamber a little longer.

We are in a fascinating era of monumental political change, and the debate has not entirely risen to that occasion. Change is happening both at international level and nationally. We face one of those watershed elections next year. I am very confident, because I do not believe that the Conservatives are ripe for power. To be blunt, they are in a position similar to that of my party in 1991-92—nearly there, but not quite. I may be wrong, but in any event the British people are willing a new politics into being. They returned 65 Liberal Democrats last time, but I wonder whether we will revert to the old bipolar world that existed until about 10 years ago. We also have strong representation of Scottish and Welsh nationalists. Our representative system is changing before our very eyes, but we are not adapting parliamentary procedures to deal with that change.

The broader issue is the profound changes in the national and the world economy. I sum those changes up with one word: inequality. We see inequality of power between those who have, and those who have not. The right hon. Member for Penrith and The Border (David Maclean) spoke eloquently of the need to combat the slow disappearance of the rainforests, but why is that happening? The poorest of the world are chopping the forest down because it is their only source of heating and cooking fuel. If we do not tackle poverty, we cannot expect people to die of starvation to satisfy the legitimate desire of comfortably off people in this country to retain the rainforests for the protection of the climate.

The right hon. Gentleman is standing down, of course, and obviously I hope that Labour will win that seat—but if we do not, the Conservative candidate, Rory Stewart, will be an interesting addition to the House. I hope that he will maintain the originality that he has shown in his remarkable books and career so far, and does not just become Lobby fodder for the Conservative Whips.

We also need to look at inequality in our own nation. I am proud of what has happened in the last 12 years. On Monday, I opened a new primary school in my constituency, Herringthorpe, which is spectacularly designed and built. It is of a quality that the working-class residents of that area of Rotherham have never enjoyed

before. When I was elected as an MP 15 years ago, that school had rotting roofs and windows falling out of their rotting frames. It was left to rot because of the indifference to the basic core issues of social justice of the then Conservative Government, which did not invest in the poorer parts of the economy. It is those principles that my party represents, while the Conservatives only pay lip service to them. We have to be realistic about the opinion polls, and it is very worrying that we may face the return to power of a party that is of the rich, for the rich and by the rich. There are more millionaires in the shadow Cabinet and political leadership of the Conservatives than any other political party in the world, with the possible exception of Saudi Arabia. It is a party principally of the south, and my constituents in Rotherham fear that if it were to win power they would be ignored, as they were between 1979 and 1997.

My party has to ask questions about why, after 12 years in power, so much inequality remains. Why is the Gini coefficient—one of the measures of inequality—as high, if not higher, now than when we came into power? Like Winston Churchill, I want to see industry more confident and finance less proud. I support the financial services industry, because we need banks; they are the petrol stations of the modern economy. However, perhaps we need more and smaller banks, working in a fully competitive framework, rather than giant behemoths accountable only to themselves.

The shadow Chancellor, in his party conference speech, said, "We're all in this together," but that is not the impression that my constituents have as they look at the Conservatives' policies of removing death duties for the richest people in the country, abolishing the tax credits that have so helped the poorer hard-working families in my constituency, and getting rid of the Sure Start programme that has made such a difference to working-class families. We see the incessant clamour for anti-Keynesian public investment cuts, when every other country and every reputable economist—from Nobel prize winners to members of the Monetary Policy Committee—are saying that there must be a continued level of public investment in our economy if we are to come out of this recession.

When that happens, we need to look at the inequalities in our country. We are not all in this together. I was a BBC trainee after university. How I wish I had stayed to polish that seat at the BBC. I could now be paid £300,000, £400,000 or even £500,000. Mark Thompson, the director-general of the BBC, who is on £800,000, put forward the preposterous proposition that he and his mates have to be paid these huge amounts of money—which come from my hard-working, low-income constituents—to attract enough talent to run the BBC. I suggest that he put that proposition to the test. We should reduce all public sector pay to no more than the Prime Minister earns—£190,000—and if the people at the top of the BBC do not like that, let them go and work in the private sector. We would see who applied for their jobs. I have a sneaking suspicion that many young people out there—unpaid interns and other exploited and poorly paid people—would do those jobs every bit as well as the gentlemen of the BBC and other public sector bodies.

We cannot apply that argument to the public sector alone, and accept the idea that the private sector should have grotesque salary differentials. In 1996 I tabled a ten-minute Bill that proposed not so much a statutory minimum wage as a statutory maximum wage. I suggested that it should be set at a ratio of 20:1, between the top earner in any company and the average or median wage of employees in that company. That would still allow handsome salaries to be paid. Of course it was regarded as far too left-wing in those days and not adopted as Government policy, but if we want everyone to be in this together, we have to start thinking more seriously about high pay.

If our country is permanently divided between those with huge salaries, or the gold-plated, index-linked pensions of our top Whitehall mandarins—Sir Thomas this and Sir Christopher that—and the rest of the community who struggle to achieve a decent life in retirement, we will not all be in this together. We have to discuss these tricky issues. I support aspiration and good pay levels, but we have to put a stop to ever-growing inequality.

In 1996 I was a member of the Committee considering the Budget. I tabled an amendment that proposed a modest financial transaction tax on trades, sometimes referred to loosely as the Tobin tax. I showed my amendment to the then shadow Chancellor—I cannot quite remember what happened to him—and his chief lieutenant, now the Chancellor. It came back scrawled over with red ink, "No new taxes".

I was a loyal Labour man, so I immediately dropped my proposed amendment, but what a pleasure it was, two years ago, to hear my friend Poul Nyrup Rasmussen—the former Danish Prime Minister, now the president of the Party of European Socialists—proposing in a strong paper the need for a financial transaction tax. It was an even greater pleasure, last Wednesday, to hear my right hon. Friend the Prime Minister at the Dispatch Box insist that this was a good and necessary idea. It has taken him 12 years to adopt a MacShane policy, but slowly, bit by bit, we are getting there.

We will need that and other measures, because another problem that we have to be honest about is that although the minimum wage has brought about a great deal of social justice, it has fixed far too many people on a very low wage. We need fairer pay for employees across the board, but that cannot be achieved without agencies and agents to represent their interests. That in turn means the rebirth of our trade union movement, which is now too focused on the public sector and too absent in the private, capitalist market economy sector of the world, here and in other countries.

So, there are three measures. We need to take a look at high pay. We need to consider a financial transaction tax, which could be for the next generation what North sea oil was in the 1980s. We also need a mechanism that would allow the Labour party—I would also invite support from other progressives in the House—to see what we can do to strengthen the right of workers to obtain a fairer share of the value that their labour creates, thus ensuring that they do not become dependent on benefits and credits. They should have fair pay for a fair day's work.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It is wonderful to see the revival of socialism at the end of this Government's period in office. Does the right hon. Gentleman not feel acutely embarrassed, however, that after 12 years of a Labour Government we now have the most unjust, inequitable taxation system to be

[Mr. Phil Willis]

found anywhere in Europe, under which the poor pay a greater proportion of their income through direct taxation than the wealthy?

Mr. MacShane: Technically, I do not agree with the hon. Gentleman. Knowing Europe quite well, I can assure him that the social justice and full employment measures that we have introduced—including the huge investment in our NHS and in the schools in my constituency that I have mentioned—represent a remarkable social democratic achievement, of which we on these Benches should be much more proud. I do not wish to see the Liberal Democrats being replaced by flinty millionaire Tories at the next election, but they have only a very short period in which to come to terms with the fact that we can shape a progressive alliance in this country and stop the return of the most reactionary, ideological Conservative party for many years. However, if all that the Liberal Democrats are capable of doing between now and the next election is to snipe and moan at those on the Labour Benches, they will be playing right into the hands of Mr. Rupert Murdoch and the Conservatives.

I want briefly to comment on political change, along lines similar to those explored by my right hon. Friend the Member for Norwich, South (Mr. Clarke), who opened the debate from the Labour Back Benches. I agree with him that we need transparent party funding. I will not make any detailed comments about the £2.4 million sitting in the Liberal Democrats' party coffers that belongs to other people, because I do not think that that would be fair. It would also breach my spirit of seeking co-operation and consensus. However, every other country in the world has had to move to a form of publicly available funding for political parties, in order to stop the corruption that has sent people to prison in France, Germany and elsewhere. We are the last country in the democratic world to hold out against allowing democracy to pay for democracy.

We have the money to do this: we voted £27 million a year to the Electoral Commission. I have to say, however, that since that body was set up, it has increased its pay and its staff, but it has decreased voter participation and confidence in the broad democratic political parties. Coincidentally—it is not responsible for this in any way—that period has seen the rise of extremist, anti-Semitic, racist politics in the form of the British National party and the horrible xenophobia of the United Kingdom Independence party, whose leader boasted of being paid £2 million in expenses by the European Parliament. That £27 million could be allocated pro rata, under supervision, to our political parties. That would stop our search for funds from those such as Lord Ashcroft, or the dubious investors who are now in prison, such as the one from whom the Liberal Democrats have taken money—or funds such as, I have to say in all honesty, some of the big-ticket trade union money that comes to my party.

My second suggestion is that we should support the call for fixed-term Parliaments. I have put forward this argument consistently for some time now. That measure could result in as significant a change as changing the voting system. We could vote on whether our fixed-term Parliaments would last for four years, as in America, Germany and Spain, or for five years, as in France. There could be a free vote in the House on the question. I earnestly suggest that other political parties adopt this policy, so that we would really know where we stand. We could nominate the first Thursday—although I would move the election day to Saturday or Sunday—of May or June, when the weather is nicer, and we would know that there would be an election on that day. We would not then have to play the endless, pointless political game of trying to put forward this or that measure simply to gain a bit of political support.

I also suggest that 15 to 20 per cent. of the legislation introduced in this House should come from Back-Bench MPs on a bipartisan, cross-party basis. It has been suggested that electing the Chairs of Select Committee will somehow provide a miracle cure for the so-called disregard in which many people now hold the House of Commons. I am not sure about that, however. I know of no governing deliberative assembly, from the Roman Senate to our own House of Commons, including the US Congress, where there is no party political management. That is simply the norm. There is a notion that a free vote, in which names would suddenly appear for consideration as Chairpersons of our Select Committees, would miraculously transform things, but I am not sure that that is the case. However, if a coalition of members of at least two or three parties introduced a Bill, and the Bill had to be given a Second Reading, that might begin to make this House more of a legislature, and not simply a group of followers of the Executive plus an Opposition who have their say but never get their way.

I also want to suggest fixed terms for Prime Ministers and Ministers—perhaps a maximum of two Parliaments for a PM or a Minister. Ministers often make the best Back Benchers when they return from being Ministers, because they know how things work. They know the dodges and the diddles of Whitehall. The eternal Minister, with his or her car and red box, however, devalues our ability to make this more of a debating legislature with real supervisory powers over the Government. Instead, we have endless queues of Members waiting to become Ministers—

Andrew Mackinlay: Former Ministers always get called to speak before everyone else, as well.

Mr. MacShane: I have to say that one rule that was changed early was that Privy Counsellors lost that privilege. I think that this is the first debate in which I have been called to speak before my hon. Friend. However, I am very much looking forward to either hearing his speech, or reading it tomorrow. I will ask other hon. Friends to take careful notes on it and report back to me when I return from my Yorkshire Labour MPs' dinner.

David Taylor (North-West Leicestershire) (Lab/Co-op): Would not a natural corollary to what my right hon. Friend has said be perhaps to cap the number of terms that individual MPs can serve in this place? That is a feature of some national legislatures, and there is some attraction in that; perhaps three or four terms might be appropriate.

Mr. MacShane: I am fully prepared to consider that idea. I think that there is real problem with our representativeness. Thanks to Labour's policy of all-women shortlists, we have many more women in the House. I

congratulate the non-neanderthal Conservatives of Norfolk in seeing off what was obviously an unpleasant misogynist challenge there.

However, I worry considerably that as we search for more women, and the Conservatives search for more millionaires, the one group that is excluded is the one that used to be called "the workers". I wonder whether it is only my own party that needs all-worker shortlists to be introduced, so that people who once came to the House of Commons through the trade union movement and from a working-class background—and then made a huge contribution—will get another chance to be represented here. I am conscious that I had the privilege of a university education, even if I have worked with trade unionists for most of my life.

Let me finish by saying that as a House, we are not rising to the geopolitical and national economic and social changes that face us. As Horace put it:

"Parturient montes, nascetur ridiculus mus".

The mountains laboured, and gave birth to a ridiculous little mouse, or rat. I want this House to be where the needs of a changing nation are heard and reflected. I am not sure that our party political system or our parliamentary system delivers that. I believe profoundly that if the Conservatives were allowed to form their millionaires' Cabinet, it would be disastrous for our nation.

I congratulate the Prime Minister on a workmanlike Queen's Speech, but let us now go out and make the argument for new thinking on equality, new thinking on fairness, new thinking on the rights of workers, new thinking on Parliament and new thinking on politics. We have to rise to the occasion, because if we do not, it will be Mr. Rupert Murdoch who continues to have too much influence and say over the affairs of our country.

6.32 pm

Mr. John Redwood (Wokingham) (Con): I advise an industrial group and an investment company and have declared that in the Register of Members' Financial Interests.

Listening to the previous speaker, one might forget that we have had a Labour Government for 12 years and one might forget that inequality has risen to new highs. One might also have been led to believe that we had not been through our worst recession since the 1930s, that Britain was somehow not doing far worse than most other economies of the advanced world, that we were not the only economy that was not coming out of the recession as quickly as the others that went into it and that we were not the only country that had had a deep recession because of the policies we were following. But the truth is that is the position we find ourselves in today.

I agree with hon. Members who have already made reference in passing to the lack of any sense of occasion on this Queen's Speech day. Members have referred to how few hon. Members have been present in the Chamber. By about 4.15 pm, we were down to fewer than 40 Members in the Chamber, with only 13 on the Labour side; half an hour later, we were down by another 10 Members. It has been a very thinly attended debate. There were even empty seats going begging when the Prime Minister himself was delivering his remarks—something that I cannot recall ever seeing before during a Queen's Speech debate.

The Queen's Speech debate used to be one of the big events of the parliamentary year. It was up there with the Budget, up there with a no confidence motion were one ever tabled, up there with a really big argument over war or a major economic problem that the country faced. It was something we attended with a sense of expectation. One of the reasons that it worked so much better in the past was that we did not read all the contents of the Gracious Speech in the media and press for several days in advance.

I remember when I was chief policy adviser at No. 10 for a previous Government when I was privileged enough to work with the palace on the draft Queen's Speech. Very few people saw the whole draft speech; it was kept extremely secret. Obviously, all those who needed to know were informed; all those who had an influence on the decisions were involved in their part of the speech—but it never leaked. None of the major or minor items of that speech ever leaked because the whole sense of drama and theatre required that the first that the world knew about it for sure was when Her Majesty delivered it in the House of Lords and that the first people who unpicked that speech, criticised it, attacked it, praised or supported it should be Members of this House in one of the most important debates of the year.

I think our visitors have been insulted today, Mr. Deputy Speaker. We invite the ambassadors of all the great countries represented in London to be present, so they can hear at first hand what the Government are going to do over the next year and write their telegrams back to their countries. We invite many other important dignitaries and they do not come here solely for the sense of occasion—to see people in unusual clothes and the colour of the spectacle before them. They used to come because it was their first chance to be sure of the Government's programme and their first chance to talk to others, perhaps to Ministers, about how that programme was going to proceed. If you destroy that secrecy, that drama, that importance of this Queen's Speech, you kill Parliament, you kill debate and you stifle proper cross-examination.

When I was a Minister—making less important announcements than in the Gracious Speech, but still sometimes important announcements—I always accepted the constitutional propriety. I would make the announcement first to this House. Very often it was Members on both sides of the House who had really good questions, which made me think or want to modify the plans. That is how it should be. Then I would rush from this House—back to the Department, usually—to give the press conference and face another barrage of questions from able people, sometimes coming from different angles from those that came from the House. Today, we are told, that is very bad practice because it does not give Ministers the chance to showcase their policies and to present them on favourable terms through the media first.

David Taylor: If the past is a foreign country, what the right hon. Gentleman is describing is a different planet. He was describing, no doubt accurately, a situation that obtained perhaps 20 or more years ago, when there were just four TV channels, the internet was hardly established and the media storm and network that surrounds politics now was vastly different at that time. Is it not reasonable to respond to that in what we do now?

Mr. Redwood: There were rather more newspapers selling rather more copies in those days, as there was plenty of competition and choice in newspapers—less so in the media, as the hon. Gentleman says—but this is one of the myths of modern politics and why modern politics is, I think, so broken. The myth has arisen that it is the job of Her Majesty's Ministers to entertain the media and that it is their job to have a story for every part of the 7-by-24 news cycle. Why is that their job? It is their job to try to govern the country well. From time to time, they come to this House to report on their conduct, to be cross-examined, to present their new policies, to sell to us and the wider public what they are trying to do. Those Ministers who forget that their prime duty is to this House usually end up doing their jobs worse than those who remember it and who are prepared to face sensible criticism. Those Ministers who think it is very media-savvy to leak their story in advance to a privileged media outlet or a privileged journalist discover in the end—if not earlier—that it is often a very foolish thing to do in terms of media management.

Yes, of course a Minister can get away with a few spectacular leaks to chosen media outlets who will puff up him or her and the story, but all the rest of the media will be hopping mad that that is the way the Minister has chosen to do it, and they will not all feel that they can get closer to that Minister and get a privileged leak themselves, so they are more likely to write badly about the Minister and his or her plans. I would say that even in the Government's own terms of media management, it is often quite stupid to leak in advance through selected outlets rather than let all of them have a fair chance on the day, when they can come to the Gallery or watch the Queen's Speech on television or go to the press conference and ask their privileged questions and ring up for specialist interviews as soon as the statement is made to this House. The sooner we get back to that system, the better—the better for the Government of Britain, the better for the scrutiny of the Government of Britain and the more meaning this House will have.

I say to colleagues that this Parliament is dying; it is in a very parlous condition. If the next one is going to be any better, it has got to learn the lessons. Those lessons are not just temporary lessons relating to some foolish expenses claims. They tell us that this model is broken.

The Government are not treating Parliament seriously, Parliament is not kicking back and making the Government treat it seriously, and so people are bypassing Parliament. The electorate are not stupid; they can see that Parliament is weakening and being damaged, and so they bypass Parliament. The media scorn Ministers who behave in the way in which many Ministers now behave, and so they bypass Parliament as well. They have their special lines, and their reliance on spin doctors. The result is what we see today: a hopelessly broken Parliament, with a few faithful parliamentarians here and the rest perhaps working elsewhere in the Palace of Westminster, or perhaps saying, "There are no votes today, so I need not be there although it is Queen's Speech day."

The issue on which I want to concentrate is what I consider to be the most fundamental issue. It is at the heart of this Queen's Speech, and it will be at the heart of our politics for the next few years whatever the result of the next general election. I refer to the fiscal responsibility Bill and the parlous state of the public finances. After years of denial and after months of fevered political activity in an attempt to prove that the Opposition and those who challenged them on the deficit were wrong, the Government have put at the heart of their mock legislative programme a Bill providing for the deficit to be halved over a four-year period.

The Government may be right. I am impressed by the magnitude of the numbers about which they seem to be talking, which implies to me that at last they understand that the country is lurching towards bankruptcy at an unacceptably rapid rate and that they need to reimpose the fiscal disciplines that they discussed so liberally in the late 1990s, and even practised until about 2001.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I am listening carefully to the right hon. Gentleman's speech. He made some very good points earlier. However, I think that he uses the word "bankruptcy" a little carelessly. Does it not mean that one's liabilities exceed one's assets? That certainly does not apply in the case of British plc.

Mr. Redwood: What it means is that anyone who thinks that a Government of this country can continue to borrow at the current rate will experience a rude awakening. I remind the hon. Gentleman what happened to a previous Labour Government in the 1970s. They thought that they could go on borrowing. They had perfectly good things on which to spend the money, or so they thought. The hon. Gentleman may recall what happened: a Chancellor of the Exchequer had to be called back from the airport, and had to go off to the International Monetary Fund and beg for special measures to stave off bankruptcy. The special measures and the terms imposed on the Government were thought to be extremely damaging, but if they had not accepted those special measures and terms, they literally could not have paid the bills. Bankruptcy means not being able to pay the bills. It can mean illiquidity as well as a shortage of assets relative to liabilities.

The hon. Gentleman is in denial. The country is now building up the most colossal debt that it has ever seen. The Government are going to double the national debt that they inherited in just two years of borrowing, and that cannot go on. Every sensible person knows that it cannot go on. The hon. Gentleman's own Front-Bench team knows that it cannot go on. That is why today is such a significant day in British politics. It is the day on which the Government themselves have said that they have been borrowing too much and cannot go on doing so. It is the day on which the Government themselves have said that the next four years of British politics, whoever wins the general election, will be about how they are to get the deficit down.

This is a totally different world from the one to which we have been accustomed, in which Conservative and Labour Governments alike have always been able to increase spending. We have had our rows about the speed of the increase, we have had our rows about which programmes are more favoured and which less favoured, but throughout my adult lifetime in this country we have discussed how to increase spending, apart from that one year in which the IMF took over to stave off the difficulties faced by the Labour Government.

The Government have said that they think they need to halve the deficit over a four-year period. We know that the deficit will be running at 12 to 14 per cent. of national income next year. That means that the Government wish to cut the deficit by between 6 and 7 per cent. of national income. It means—in round figures—£100 billion of annual spending that must be cut or £100 billion of extra taxes that must be imposed, or some combination of the two.

During what has passed for a debate today, I managed to ask the Prime Minister how he thought it would be best to make that reduction in the deficit—how he thought it would be best to remove that £100 billion from the accounts. I did not prejudge whether he would reply "tax increases" or "spending cuts"; I left that to him, because he is the man proposing the overall measure. His response was very interesting. He instanced three very small tax increases about which we already know—small in terms of the amount of revenue that they would raise, that is; not necessarily small in terms of the economic impact that they would have, which could be rather severe and negative. As those increases are already included in the figures, they would not produce the £100 billion. The Prime Minister was talking about loose change or petty cash. He was talking about just a few billions. What his Bill is talking about is £100 billion off spending or on to taxes, or some combination of the two.

I renew my challenge to those on the Front Bench to go away and think up an answer. This is a question that the Prime Minister has constantly asked about Conservative plans for years and years. I asked him the most simple question in the book—the one that he always asked—and he had no answer to it. I was amazed.

David Taylor: The right hon. Gentleman is posing a false choice. He is suggesting that the only way of starting to bridge the growing gap is either to cut expenditure or to increase taxes. I am sure he would acknowledge that one significant way of bridging the gap in the medium term would be returning banks to the private sector and regaining the money that we, the taxpayers, have had to invest to underpin them. I might regret that, but it is what the Government have said will happen. Does the right hon. Gentleman acknowledge that accelerating the process would provide a source of necessary income?

Mr. Redwood: I fear not. I have been probing the issue in questions, and I think that even the Government admit that a fair amount of the money that they have tipped into the banks they have lost.

I am the one Member of Parliament who has consistently said "Do not buy shares in these banks." There were other ways of avoiding a catastrophe. I have always thought that we would lose all or most of the money that we were sinking into those shares, and that seems to be the view emerging from the Treasury. The Treasury decided to buy in at too high a price. As we now know, the market price is well below the price at which the Treasury bought in. If the Treasury decided to sell all those shares on the market any time soon, the price would be considerably lower again. I do not think that we are going to recover huge sums of money from the very foolish share-buying into which the Government have entered.

That is a one-off capital item. What we are talking about is a deficit running at 10, 12 or 14 per cent. of national income every year. We are talking about a massive gap between annual spending and annual income, and—even if the hon. Gentleman is right and I am wrong—a few one-off capital receipts would not suddenly transform that position. We would still have to deal with the structural deficit.

Some Labour Members may think that the way out of this is growth. Of course growth will narrow the deficit, but we need it to narrow the other half of the deficit, which may well be cyclical and may well be related to the tragic recession and the state of the economy. However, we cannot leave this deficit at 6 or 7 per cent. of national income, because we know that the last time the Government tried to do that, they had to go off and take special measures as a result of the IMF lending.

Whoever governs the country, in the next four years—in the next Parliament—hanging over British politics will be the Prime Minister's question: how can the deficit be cured? Throughout the time in which they remain nominally in charge and continue to recommend to the House a piece of legislation telling us that we must control the deficit, those on the Treasury Bench are honour bound to come back with a better answer than they managed today to the simple question that I have asked. I have said, "Fine: you want to get the deficit down by around £100 billion, excluding the cyclical recovery and the natural consequences of some growth. How do you propose that that should be done by this Government, or a future Government?" That is the dominant question in British politics, and it will rule all our lives—or the lives of those who are fortunate enough to be re-elected—in the years to come.

The second aspect of the Queen's Speech that I wish to raise briefly is the issue of control of the banks. As Labour Members have said, one of the reasons our economy is in such a mess is that we made a bigger mess of regulating our banks than many other countries around the world, and we happened to have rather bigger banks. Indeed, one of the most egregious regulatory failures was the regulator's decision to allow those massive banks to accumulate so many assets by merger and purchase. I was very much against the series of mergers that produced RBS, and I was also against the prominent public decision of the Government to back the Lloyds and HBOS merger, because it has led to Lloyds unnecessarily being sucked into this vortex of underperforming bank assets, state subsidy and semi-nationalisation.

It is the failure of the regulator in Britain that has made our financial and economic position so much more difficult than those of many other competitor countries around the world. I therefore asked the Chairman of the Treasury Committee, the right hon. Member for West Dunbartonshire (John McFall), to remind us of the findings of its very important report on why the banks in Britain went wrong. He gave us a very fair answer again today, when he said that, of course, the main problem was regulatory failure—the proper rules of prudence were not applied. By that, he meant all the rules that were always in place under previous Governments to control both the amount of cash a bank needed in case people turned up off the streets and wanted their money back and the amount of capital a bank had in

[Mr. Redwood]

case it lost lots of money on foolish investments and needed to pay the losses. That was always governed by very strict controls under the Conservatives—the deregulating Conservatives. We always had very firm controls on cash and capital. In our day, the banks were not allowed to gear and lend anything like the quantities of money they came to lend in recent years.

Keith Vaz: The right hon. Gentleman was a member of the last Government when BCCI—the Bank of Credit and Commerce International, which was the sixth largest private bank in the world—closed because of a lack of regulation. I think he may have been at the Department of Trade and Industry at the time. There then followed the Bingham report into why the bank failed and why it was not properly supervised. Lord Justice Bingham—as he then was—suggested that the supervision of banks should be taken away from the Bank of England, and, indeed, the Government, and placed in the hands of an independent regulator. It may be the case that the regulator has not been up to speed, but surely the right hon. Gentleman is not suggesting that regulation should be returned to the Bank of England.

Mr. Redwood: Yes, of course I am. The Bank of England occasionally made mistakes—it did so with BCCI and in two other cases that I can remember—but it never made systemic errors and it never made a mistake in respect of one of the major clearing banks that affects everybody in the country. What has happened on this most recent occasion was that mistakes were made with a whole series of banks—several of the mortgage banks, several of the large clearing banks, and some other financial institutions. The result was therefore a comprehensive disaster on a scale that, fortunately, we have never seen before.

To return to the line of argument I was previously pursuing, we need good regulation of cash and capital, but that is what we did not have. The Government have belatedly woken up to this, and now, at exactly the wrong point in the cycle, they are telling the broken banks that they need to have a lot more cash and capital. At the same time, however, they are telling those same banks that they need to lend more money. The Government have to make up their mind as they cannot do both: either they make the banks far more prudent immediately, in which case no further credit will be extended in addition to what is already out there in the economy and some of the existing credit will be withdrawn, or—this is my view—they say, "The current situation is so grave that now is not the time to strengthen cash and capital. As we know that no banks will go under and we the Government stand behind the most damaged banks anyway, that can be sorted out later. The priority must be to get money pumping through the economy again, so let's delay strengthening the cash and capital until there are signs of greater activity in the economy."

If the Government want there to be any kind of economic recovery in this country on a faster and better basis than we are currently experiencing, my recommendation is that they need to sort out the banks, and also that they should not require them to do opposing things because at present the banks will listen to the regulator rather than the exhortation to lend and, if the regulator intervenes in the suggested way, all our constituents who run small businesses or need loans will face difficulties.

The Government also have the strange idea that the problem will go away if they can control all the remuneration of the highly paid people in the banking sector. I regret to have to tell them that it will not. First, the bankers in the private sector will be far too swift and clever for them; they will move offshore or find other ways of remunerating themselves—share-based rather than cash-based awards, perhaps, or deferred awards. Whatever might be necessary, there will be lots of people working very hard to try to solve that problem because these bankers like being highly paid. Secondly, even if it is possible to control the pay of all these bankers, that does not mean they will run a bank well or solve the cash and capital problems, or that the banks will suddenly come gloriously right, because they have been so badly regulated in the past and they are now so comprehensively broken.

I say this to the Government: by all means examine the issue of bankers' remuneration as there are examples of excess, but the cases of excessive remuneration that I see lie in those banks that are state subsidised. If a bank decides to pay its staff lots of money because it is very profitable and trading very well, I have no philosophical problem with that. That might mean there is not enough competition in the market, in which case let us put in some more competition in order to try to lower the overall returns; but we should not start regulating the pay of the staff. It may be that there is a foolish private institution that decides to pay a few people too much money when it is not making a profit; it may or may not trade itself out of the difficulties, but as long as its private shareholders are paying the bill, again, I have no philosophical problem with that. I would have a problem, however, if that institution were then to expect a state subsidy because it had been paying its people too much, or if it were already in receipt of a state subsidy.

As the majority owner of RBS and the leading owner of Lloyds-HBOS, the Government should put in place a remuneration policy with which we can all live. I cannot live with those bankers getting megabucks when they are having to be subsidised by people in my constituency who are on very small incomes compared with their own. Why must they pay more tax to tip money into these state-subsidised banks so that these people can earn a lot of money for losing us, as those banks' collective owners, so much? Surely the Government can put that right. It does not need an Act of Parliament; it will not be sorted out by the Bill in the Gracious Speech. What is required is a bit of management and courage from the Treasury Minister responsible; he should go to his new charges and say, "We need to change the remuneration structure. Until you're profitable, we cannot accept this. We do not want dozens, or hundreds, of people paid more than the Prime Minister when the overall results are so dreadful. We cannot sell this to our constituents."

Let me conclude. If we are serious about rebuilding Parliament, we need to learn from this disgraceful Queen's Speech; we need to learn that we have insulted our guests and that we have done ourselves damage by not treating the Queen's Speech seriously, by having it briefed out to the press in advance, and by then not creating a great debate to give it proper scrutiny. If we are serious

about mending our economy, we need, first, to mend the banks. It is more important to deal with the problem of bank lending than it is to deal immediately with the inadequate amounts of cash and capital—assuming the Government stand behind those banks, as they clearly do. That is my recommendation for trying to deal with that part of the problem.

Above all, I wish to point out that British politics has changed dramatically today thanks to the idea of a Bill to control the deficit. We face years of work-out ahead in order to try to tackle this deficit. As yet, the Government are simply play-acting on this, and they owe us a reply to the very simple question: where is the £100 billion coming from?

6.58 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the right hon. Member for Wokingham (Mr. Redwood), even though after I hear him speak I tend to feel extraordinarily depressed about the state of the country. He is always a doom-and-gloom speaker about the Government, as he is an Opposition MP, but I hope in my speech to take up a couple of his points, especially concerning the financial services Bill, because, as I shall explain, he was wrong to say that the only solution is to hand regulation back to the Bank of England.

May I join other right hon. and hon. Members in commending the speeches of those who moved the Gracious Speech in this House—my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), whom I served under in opposition when he was the shadow spokesperson on the environment, and my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry)? It is a grand tradition of this House to have an elder statesman and a newly elected Member propose and second the motion on the Gracious Speech, although I am sure my hon. Friend will recognise that she can hardly be described as a newly elected Member four years after her election.

I was on breakfast TV this morning—I do not know whether you saw me, Mr. Deputy Speaker—with the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), the former Leader of the Opposition. He continued the theme developed by Members on the Opposition Benches, including, surprisingly, the former leader of the Liberal Democrats, the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) that this was the end of the Parliament and there was no need to put legislation before the House. The right hon. and learned Gentleman said that what we needed was a general election, so I pointed out that every time I have encountered him he has been calling for one; the nature of opposition is to feel that a general election is the best way of sorting everything out.

May I remind the House that the Government have not completed their full term and a mandate has to be fulfilled? They still have a majority of 63—that is probably 63 more than the Conservative Government had at the end of their time in 1997, when the right hon. Member for Wokingham was a distinguished member of the Cabinet. What a Government who have a mandate and a majority do in the Queen's Speech is propose legislation that they seek to ensure will get through not only this House but the other place, and will thus get on to the statute book. It just so happened that the previous Prime Minister decided to call general elections before the full term was up—there was a year to go in both 2001 and 2005—as did Baroness Thatcher every time she called one. The approach was not repeated by Sir John Major when he was Prime Minister.

The Opposition should let the Government get on with what they are supposed to be doing—governing the country—and let them put before the House the legislation proposed in the Queen's Speech, and let us ensure that we do our best to scrutinise it. If the House wishes to support it, it should become law. The right hon. Member for Wokingham talked about statements being made to the press, but I was concerned with statements made by the Conservative party's leader in the other place. He said that he is going to use—*[Interruption.]* I do not know whether my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) was aware of these statements, but I am sure that he followed them in the other place. The Conservative leader there said that he would use every opportunity to frustrate the legislation that this Government are placing before the House, and that is absolutely wrong. We have a fully functioning Government who have a working majority of 63—most Prime Ministers would be delighted to have such a majority, as would the Conservatives should they win the next election—so let us get on with scrutinising the legislation.

Mr. MacShane: I read the remarkably arrogant statement that the Conservatives in the other place would block measures put forward in this Queen's Speech. How much more contempt for democracy and the House of Commons do we need from the Conservative party?

Keith Vaz: I agree with what my right hon. Friend says; it is very bad when those in positions of responsibility in another place try to frustrate the will of this House. Now that the Conservative leader in the other place has heard the Queen's Speech, I hope that he will reflect on the proposals put forward.

Some good speeches have been made in this debate. The points that the right hon. and learned Member for Folkestone and Hythe made about judicial control were important, because the House needs to examine that area. It is right to say that we have ceded a lot of powers to the judiciary. I am delighted to see the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills) on the Front Bench. I know that he is very busy, but he ought to read the speech made by the right hon. and learned Gentleman, because it contained important points about the power that this House has as a sovereign House and the power that has been ceded to judges. I disagreed with him on one point, because I think that judges ought to come before hearings of the Select Committee on Justice to answer questions about their record—that would be a jolly good thing and I am not with him on that point. The scrutiny of the judiciary is important when appointments are just about to be made.

The second speech that I thought was good was made by the right hon. Member for Penrith and The Border (David Maclean). He made such a passionate speech about rain forests that I think he ought to accompany the Prime Minister and the Secretary of State for Energy and Climate Change to Copenhagen. The right hon.

[Keith Vaz]

Gentleman made some important and useful points about the way in which the climate change debate was developing, and I commend him for what he said.

I wish to discuss two or three of the Bills that were foreshadowed in the Gracious Speech. I am delighted that the Constitutional Reform and Governance Bill has been carried over, because I hope that the House will thus have a better opportunity to debate its provisions. I am particularly interested in the very good suggestion made by the hon. Member for Chichester (Mr. Tyrie) for the appointment of temporary peers. Where Prime Ministers want those from outside to join Parliament to become part of the Government, they need not necessarily be life peers; they could be peers appointed for a temporary period. Such an approach would mean that more people would have the opportunity to serve in Parliament and we would get a more diverse House of Lords than we have at the moment. I hope that we will be able to debate that further when the Bill returns to the Floor of this House.

I am very pleased with the digital economy Bill. Obviously we took the point made by Scottish Members that they cannot have access to the broadband network to the same extent as England and Wales has—

Andrew Mackinlay: Where are all the Scottish Members?

Keith Vaz: Perhaps they have gone to fix their broadband internet as a result of the digital economy Bill. I welcome that Bill because it will implement, in full, the recommendations of Tanya Byron's review, which was set up by the Prime Minister. She produced a very good report last year about video games. It is important that we do our best to ensure that the House has a say in how the video games industry operates. I am treading on people's toes in saying that, and when I go back to my office, I will have received many e-mails from video games players who believe that I am in favour of banning such games or preventing those under the age of 18 from purchasing and playing them—I am not, and that was also not Tanya Byron's recommendation.

What we were concerned with, and what the House should be concerned with, is video games that are intended for adults falling into the hands of children and young people. There are four elements to this partnership, and I hope that all the recommendations will be included in the Bill. The first element is the responsibility of parents to ask their children—or indeed their grandchildren—what video games they are playing and whether they are intended for their age group.

The second element is the responsibility on the Government to ensure that the video games industry packages the games properly, so that it states clearly on the label where a game is "18-plus". I got someone in my office to buy the new video game "Call of Duty: Modern Warfare 2", and the 18 sign on it remains only the size of a £1 coin. The label is easily erased if somebody puts their thumb on it. In my view, retailers do not take much notice when someone buys a game, and ample evidence suggests that retailers are not being prosecuted if they sell 18-plus games to young people. "Call of Duty: Modern Warfare 2" is a classic example. It is a very dangerous and violent game if seen by under-18s. In fact, Russia has banned it today, although I am not suggesting for one moment that it should be banned in this country. Russia did so because it shows Russians as terrorists and recreates a scene at an airport in which civilians are gunned down by characters in the game.

I welcome the digital economy Bill and hope that the Opposition will also support it when it is debated in the House, including on Second Reading. I am pleased that the Equality Bill will come back, because it is important that we continue to ensure that it is as strong as possible. We have made enormous progress—it has some very good clauses—and it would have been sad if the Bill had died at the end of the last Session. I am therefore pleased that it was re-contained in this year's Gracious Speech.

I come now to the financial services Bill. I note that the right hon. Member for Wokingham has left the Chamber. I remind Members who have been here as long as I have that in 1995 the sixth-largest private bank in the world closed. It had assets of £6 billion, and almost every member of the Asian community in this country either had money in BCCI, knew someone who did or worked for the bank. The bank was allowed by the Bank of England to continue as it had been going, because the supervision of banks then rested with the Bank of England.

As a direct result of BCCI's closure, the then Chancellor of the Exchequer, Norman Lamont, set up the Bingham inquiry. Lord Justice Bingham, as he then was—he went on to become the Lord Chief Justice—produced an historic report that talked about the need to separate the supervision of banks from the Bank of England. The Government acted on that and created the Financial Services Authority. I am not suggesting that everything that the FSA has done has been correct. It needs to be tweaked—changes are needed and it needs to be reviewed and toughened up—and we welcome everything in the financial services Bill. However, I make a plea—the Government are with me on this—to the Opposition, including the Liberal Democrats, not to give the supervision of banks back to the Bank of England, which simply cannot carry out all its tasks. A separate organisation needs to supervise how licences are given out and banks are policed. That is why it is important that we support the financial services Bill. We should not attempt to hand back supervision to the Bank of England.

Barry Gardiner (Brent, North) (Lab): Does my right hon. Friend recall that, when the Financial Services and Markets Act 2000 passed through the House and Committee, the constant refrain from Opposition Members was that there should be a lighter regulatory touch and that we were doing too much?

Keith Vaz: My hon. Friend is right, and I do remember that. It is important to revisit what people said then. Of course I do not blame the Opposition for the global economic crisis or the failure of the banks—it would be wrong to do so—and I am not saying that everything went wrong as a result of the suggestion of light-touch regulation. I am not that partisan. However, we need tough regulation, so please let us not give those responsibilities back to the Bank of England. If right hon. and hon. Members have any problem with that, they should read the Bingham report and the deliberations on BCCI.

I have two final points about two things that were not in the Queen's Speech, but that we were told would be. First, I am delighted that there was no immigration Bill in the Queen's Speech, because we have had eight immigration Acts under this Government. Frankly, the administration of the UK Border Agency—or the immigration and nationality directorate, as it was—has not improved to the standards expected. We need not more legislation but better administration of the UK Border Agency, so that when Members write letters to the head of the agency, she replies promptly with information other than, "People's cases will be dealt with in 2011", and so that when we have an urgent case, the Immigration Minister takes the trouble to agree to meet right hon. and hon. Members and sit down with officials, as all previous immigration Ministers have done, to try to resolve the issues.

The Mayor of London has suggested that the 500,000 illegal immigrants in London should be given leave to remain. He wants to regularise them. Neither the Government nor the Opposition, including the Liberal Democrats, agree with him. In the meantime, however, hon. Members who write to Miss Lin Homer get frustrated because they expect things to be done—I am sure that that applies to my hon. Friends the Members for Wolverhampton, North-East, for Thurrock (Andrew Mackinlay) and for Brent, North (Barry Gardiner), the hon. Members for Peterborough (Mr. Jackson) and for Birmingham, Yardley (John Hemming), and any other Member who is dealing with an immigration problem—*[Interruption]*—including my hon. Friend the Member for West Ham (Lyn Brown).

I am pleased to say that the Home Affairs Committee will publish a report next week based on the work of the UK Border Agency and will question why so many agency officials—39, I think—managed to get bonuses last year when we do not see the backlog being reduced. We need a change in immigration administration; we do not need more legislation. I am delighted that there is no immigration Bill, but please let us get the administration right and put in place some rules on the issues of citizenship.

My final point concerns the UK-US extradition treaty, which was the subject of debate in the House in July. The debate referred in particular to the case of Gary McKinnon. Last Monday, the Home Secretary came before the Committee. We wrote to him on Tuesday and told him that the treaty gave far too much to the Americans compared with what they gave to us. It did not create a level playing field, as a result of which we can hand over citizens with a very low burden of proof, but the Americans require a very high burden of proof, because of their constitution. I commend the work done by Gary McKinnon's Member of the Parliament, the hon. Member for Enfield, Southgate (Mr. Burrowes). He has done a terrific job on behalf of his constituent.

It is a pity that we are not going to review the treaty. I hope that in the weeks and months ahead, we will be able to do so, because it went through far too quickly. I do not know whether my hon. Friend the Member for Thurrock, who serves on the Foreign Affairs Committee, has looked into the extradition treaty, but it might be a good idea if his Committee did. Let us revisit it. The Home Secretary is still considering Gary McKinnon's case. I hope that he will consider it again, as he has promised to do, and allow him to stay. Anyone who can hack into the Pentagon computer system should not be sent for trial, but be offered a job. If he was able to do that, he clearly has intelligence far beyond what anyone could imagine.

Today's was a good Gracious Speech. It contained 15 Bills, but a huge amount of work needs to be done. We have six months until the Prime Minister has to call a general election. It is enough for us all to feel that we can make a great contribution to changing society for the better.

7.19 pm

Mr. David Amess (Southend, West) (Con): The right hon. Member for Leicester, East (Keith Vaz) wants speeches that will cheer him up, but I am afraid that I will disappoint him, because my speech will be along similar lines to that of my right hon. Friend the Member for Wokingham (Mr. Redwood). However, I agree with the right hon. Gentleman about the quality of the mover and seconder of the Loyal Address.

Keith Vaz: The hon. Gentleman is to be forgiven even before he speaks, because, as chairman of the all-party group on the Holy See, he arranged for me, my wife and other members of the group to meet the Holy Father. Whatever he says, I shall forgive.

Mr. Amess: In spite of that flattery, I will stick to the original tone of my speech, although I thank the right hon. Gentleman for his forgiveness.

Any remarks that I make are not personal remarks about Government Members, whom I regard as splendid people by and large, but will be directed towards the Government, because this Government are absolutely awful. They have somehow managed to redefine the dictionary definition of "incompetent". They have single-handedly destroyed absolutely everything. The editorial comment in *The Times* yesterday said:

> "The Prime Minister would be well advised to bear in mind that the Queen's Speech is there for the maintenance of good government of the nation, not the maintenance of his premiership."

Listening to the Gracious Speech today, I thought that it failed to on both those counts, although I await the editorial comment in *The Times* tomorrow.

Every Member of the House knows that today's proceedings have been farcical. We are not talking about having six months of parliamentary time on the Floor of the House; we are talking about a very short period indeed. It is absolutely impossible for all the Bills in the Gracious Speech to become law, and I think that the right hon. Member for Leicester, East knows that.

I want briefly to pick out five issues in the Gracious Speech that I feel strongly about. The first is the proposal for a constitutional reform Bill. We have a Government who are purporting to rebuild trust in our democracy, but they are precisely the same Government who have brought trust in our system to an historic low. It is as if they have not been in power for the past 12 years. Our country has undoubtedly become too centralised and, under this Government, Parliament's power has been severely weakened. I absolutely agree with everything that my right hon. Friend the Member for Wokingham said about that.

It would have been good to have a proposal in the Gracious Speech to ditch the quangos as a priority and return accountability to Ministers. Hon. Members are fooling themselves if they do not consider why fewer

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and fewer people are interested in Parliament. It is because Members of Parliament are now ornaments, and not particularly attractive ornaments. We have lost so much power. Ministers have lost all their powers and given it away to the 790 quangos that we have at the moment, which employ just over 92,500 staff, with total expenditure at nearly £43 billion. A tenth of public spending goes on those quangos. Indeed, the figure is probably even higher. There probably are 1,000 quangos, depending on how we define them, and they cost the taxpayer probably as much as £60 billion. The right hon. Member for Rotherham (Mr. MacShane) spoke about the pay and conditions of some of those working for such organisations. Sixty-eight quango bosses earn more than the Prime Minister, yet quangos face neither the ballot box nor systematic inspection. They are governed by boards that are totally unaccountable to the electorate.

The Government claim that they want to devolve power to local bodies, but when will that happen? Since Labour came to office in 1997, the Government have done everything that they could to undermine not only this place, but local government. What is the point of voting for local councillors any more? They have lost all their power, particularly in planning. According to a recent report by the Local Government Association, although the state spends on average £7,000 per person on health, education and care for the elderly, just £350 per person is controlled by locally elected politicians. That is crazy, and it has all happened under the watch of this Labour Government.

Steve Webb (Northavon) (LD): The hon. Gentleman makes an interesting point about the role of quangos, but he will recall from "Yes Minister" and the like in the 1980s, which were based on inside knowledge, that people could become the chair of the "Whitefish Authority", or whatever it was. Does he not accept that quangoisation has been happening for decades and is not just a new Labour phenomenon?

Mr. Amess: I am not going to pretend to be clever enough to get into a tangle with someone who in another life used to prepare and react to parliamentary questions. I am sure that there is an element of truth in what the hon. Gentleman says, but the role of quangos has grown out of control, to the point where this House is greatly diminished. We have only to look at some of the responses that we get to parliamentary questions to underline that fact. I will never forget what happened when I tried to help my constituents about the problem of badgers. Some people might not think it a big issue, but in the course of a two-year battle to get something done about badgers, the Minister responsible, who now happens to be in charge of climate change, lost power, and the power for overall governance of badgers went to a quango.

Councillors have accountability, which is provided by direct elections every four years. Quangos have no such accountability. The law requires council decision-making meetings to be open to the public, with papers available to the press and public in advance. There is no requirement on many of the quangos for such scrutiny, yet they have much more power in real terms. There is no doubt that quangos have systematically taken power away from local communities and locally elected representatives. I would have hoped that we could have a measure on that in the Gracious Speech. For people to have trust in our democracy, they need to be assured that elected representatives, whether national or local, have the power to act on their behalf, but we do not. Decision making and taxpayers' money should not be monopolised by a growing group of unelected bureaucrats.

Mr. Stewart Jackson (Peterborough) (Con): Does my hon. Friend [illegible]cate, as I do, the fact that the Government's flagship quango, the Equality and Human Rights Commission, does not require its commissioners to declare any interests and holds its meetings in private?

Mr. Amess: I absolutely agree with my hon. Friend.

If I can catch the eye of the hon. Member for Thurrock (Andrew Mackinlay), I shall reflect on a matter concerning Scotland. It is 32 years this month since the West Lothian question was raised in the House, yet we still have no answer to the problem. Scottish MPs should have no say in exclusively English matters, when English Members of Parliament have no say in theirs. That is another matter that I would have liked to see in the Gracious Speech. English MPs should have exclusive say over English laws. The whole idea of English regional assemblies has been an unmitigated failure. I could delay proceedings by talking about what happened in the eastern region.

Andrew Mackinlay: Go on.

Mr. Amess: I might leave it to the hon. Gentleman to pick that up in his speech. English regional assemblies were a failed attempt to skirt around the problem. All we are left with is a swathe of unelected regional development agencies—in other words, more quangos. We need to address the issues of representation and accountability immediately, to restore power to those who have been elected to make decisions on behalf of their constituents and rebuild faith in our political system. Nothing in the proposed constitutional reform Bill gets to the heart of the matter.

My second point about the Gracious Speech is about the energy Bill. I will now cheer up the right hon. Member for Leicester, East, because I welcome the measure, which seeks to tackle climate change by reducing carbon dioxide emissions. It is imperative that we develop and expand renewable and low-carbon energy, in order to help guarantee our energy security and protect the environment for future generations. However, a series of measures are threatening to hurt those smaller producers engaged in green microgeneration—exactly the sort of producers that we should be supporting. The current excise duty differential of 20p a litre for biodiesel will cease in April 2010. Value added tax would thereafter be charged at the same rate as on other main road fuels. That will result in a price hike for greener fuels and many producers are worried about the future viability of their enterprises and the entire biofuels-microgeneration industry.

Biofuel producers are penalised in other ways. For example, methanol is commonly used as a reagent in the production of biodiesel from used cooking oil. A recent Ofgem ruling prevents biodiesels produced in that way from being included in the renewables obligation scheme because of the presence of a small proportion of fossil fuel-derived methanol. It will not escape notice that Ofgem is yet another unelected body that is making important decisions about our economy and the environment.

I listened to the speech earlier by the former leader of the Liberal party. I remind hon. Members that I was privileged—on the 18th attempt—to pilot through the House the private Member's Bill that became the Warm Homes and Energy Conservation Act 2000, which laid a duty on the Government to eliminate fuel poverty. On that count, the Government have patently failed. The 15-year target seems to be slipping so we need a much firmer commitment to meeting it.

My third point in relation to the Gracious Speech has to do with the economy. I disagree with what the right hon. Member for Leicester, East said about the Bank of England. The Prime Minister once claimed that he had abolished boom and bust, but we are in the longest and deepest recession since records began. The right hon. Gentleman kindly did not blame the Opposition for the state that we are in, but I blame the Government for making the situation much worse than it would have been by taking the supervisory powers away from the Bank of England.

Key economic indicators continue to worsen while our European neighbours are emerging from recession. We had a slight exchange about that earlier, but the UK economy contracted by 0.4 per cent. in the third quarter of 2009, and the Government could not even get that right. As my right hon. Friend the Member for Wokingham said, everything is briefed to the media beforehand, and the media had been told that we were coming out of recession. However, when the figures were announced, that was clearly not the case.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I have listened extremely patiently as the hon. Gentleman has made his case, but does he not recognise that every reputable commentator believes that this country would be in a far worse position if we had followed the economic policies advocated by those on the Opposition Front Bench?

Mr. Amess: That opens up a huge debate that I would be happy to engage in, but I think that the Minister is wrong in the point that he has just made.

Alistair Burt (North-East Bedfordshire) (Con): Let's have an election and find out.

Mr. Amess: As my hon. Friend says, we should put the matter to the country. That is what we want and, if the Minister is right, no doubt a Labour Government will be re-elected. However, I doubt that the British people feel that the Government were not in any way culpable for the depth of the recession.

Over the past year, employment among 16 to 24-year olds has fallen by 7.6 per cent. That is more than in any other age group, and the Prime Minister's recent claims to the House about the Government's record on youth unemployment are absolutely wrong and frankly ridiculous. The Government have mismanaged the economy and their decisions have been catastrophic. The financial services Bill announced today is essentially an acknowledgement that the regulation set up by the Prime Minister has failed. What he did as Chancellor to take away the Bank's supervisory powers was very wrong. The Government bail-out of Northern Rock and Bradford & Bingley added £142 billion to the national debt, taking it up to almost 60 per cent. of national income. When we have an election, the electorate must have that fact laid out in front of them.

Mr. Wills: But will the hon. Gentleman tell the electorate in his constituency what he would have done with Northern Rock?

Mr. Amess: I certainly will, and I shall lay out very clearly what I think that we should have done when faced with that problem. A total of £1.5 trillion of debt, largely caused by the huge liability of banks such as the Royal Bank of Scotland and Lloyds Banking Group, has been added to the public balance sheet. That is a nightmare that whichever party forms the next Government will have to face up to.

The Labour Government have offered £330 billion in guarantees to the financial sector. They have given no credible explanation of how they will address the debt crisis. We urgently need to get the £175 billion annual deficit under control. No political party wants to spell out clearly how it will raise taxes, but we all know that an incoming Government will have to face up to that decision. Banks' ability and willingness to lend have been slashed, and the problems have been exacerbated by falling consumer confidence and the realisation by many that belts need to be tightened.

I spent the whole summer recess visiting every small shop and business in the constituency that I represent. It was heartbreaking, because we used to be a nation of small shops. Many businesses have been operating for 10, 20 or 30 years, but they were as close as that to going under. I undertook the visits because I am chairman of the all-party parliamentary group on small shops, and I had the opportunity to observe that the entrepreneurial spirit of the British people is still alive—but my goodness they are struggling at the moment. I had hoped that the Gracious Speech would address the problems of the rising burden of regulation and tax when times are hard enough already.

I certainly talked with local traders about what they could do to try and get relief from business rates. That is another thing that the Government have not yet faced up to, but I am optimistic that a Conservative Government, if there is to be one, will address the problem of small business rate relief. There are, of course, encouraging signs in some sectors, but by and large activity is very flat.

I want to end with two final points, and the first has to do with Afghanistan. I can remember—in fact, the memory haunts me as though it happened just yesterday—the night we debated whether to get involved in the conflict in Iraq. The House was not as it is today; rather, it was absolutely packed, with people standing everywhere. I can remember Tony Blair standing at the Dispatch Box and saying very clearly that there were weapons of mass destruction, that they were targeted at this country and could reach us within 45 minutes. He was talking to people like me, people not blessed with military expertise. I believed what he said, and voted in favour of the conflict.

Barry Gardiner: May I urge the hon. Gentleman to consult the *Hansard* record for that day and that particular debate? I believe that he is referring to a debate that took place six months earlier than the one in which it was decided to go to war.

Mr. Amess: The procedure in those debates was so confusing that many hon. Members were rather confused about which debate meant that we signed up for the war. Whichever debate it was, I can remember the

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dossier that was presented, and I was very aware of what was going on in an area of the House that we are not supposed to name. The then Prime Minister probably needed some *Hansard* books so that he could read his speech more carefully. As far as I am concerned, what he told the House that night was not the truth. If I had been told the truth, I would have joined my 18 colleagues and voted against the war with Iraq.

I turn now to Afghanistan. I do not think the House has ever had a debate in which hon. Members could vote about whether to get involved there. Yet again, we take the American lead, and I heard what the Prime Minister said today, but I am in despair. Support for our involvement in Afghanistan is definitely waning. It behoves the Government to be much clearer about our objectives and about the progress we are making to achieve them. This year has been the bloodiest year of action for our armed forces since the Falklands.

In the time before the election, the Government must set out much more clearly what is going on with the Afghanistan Government. One minute, we are told that they are dreadful. Then there was a presidential election that was a farce. Now the only candidate is back in post. It insults people's intelligence. The British people need to be told clearly what the purpose of our involvement is and how the Prime Minister sees it continuing.

Mr. Wilks: I sense that the hon. Gentleman is about to sit down, and before he does so, I want to remind him that the purposes of that war have been set out very clearly. I also want to give him an opportunity to pay tribute to the armed forces who are serving so gallantly in that war.

Mr. Amess: Not only do I pay tribute to them, but I am a member of the armed forces parliamentary scheme and in January I hope that some of us will go to Afghanistan to see at first hand what is happening. I absolutely pay tribute to the armed services.

I am very disappointed that there is no proposal in the Gracious Speech to look at the criteria for holding public inquiries. The issue that is causing the most interest and concern in Southend at present is the expansion of Southend airport, which is very controversial for all sorts of reasons. Last week, a public meeting was organised by our excellent Leigh town council. It was very well attended and the overwhelming majority of residents were concerned about proposals for the expansion of the airport. Southend council will look at the proposals in January and the Secretary of State cannot give a view until after that planning meeting. Depending on how the meeting goes, he may or may not decide to call in the plans and hold a public inquiry. I have asked the advice of the Library and civil servants about the criteria for holding a public inquiry. They are not clear to me. In fact, I am of the opinion that the matter depends on the judgment of the Secretary of State of the day, but how he makes that judgment is not clearly set out, so I was disappointed that there were no proposals about that in the Gracious Speech.

I was aware that the Government and Labour had destroyed the country, but I had no idea that they would destroy Parliament. That is what they have done. We need a new Parliament. We need a general election and the return of a Conservative Government.

7.43 pm

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): The hon. Member for Southend, West (Mr. Amess) said that he disagreed with a number of the things said by my right hon. Friend the Member for Leicester, East (Keith Vaz). I think that the hon. Gentleman will disagree with everything I say, but that is nothing new in this Chamber.

Earlier, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) recalled the considerable number of Queen's Speeches that he has been privileged to hear in this place. That reminded me that I am merely in my 18th year here, and I feel like a cub scout compared to the right hon. and learned Gentleman, with his vast experience. I mention that particularly because when I was bag carrier for the then Foreign Secretary, he was for a time the shadow Foreign Secretary. When I carried messages back and forth, he was unerringly understanding, exceptionally kind and very co-operative whenever he possibly could be. Although I have never given or sought quarter in the House, I have always been touched and moved, and thankful for the kindness with which Members from all over the House—

Andrew Mackinlay: Not while I'm around.

Mr. Purchase: Thank you, Mr. Bevin. I have been privileged to be treated so well by so many people while I have been in this place.

The Queen's Speech announced many Bills, including Bills on equality, child poverty, digital economy, energy and so on, and Lords reform, which enables me to mention one of my predecessors in the seat of Wolverhampton, North-East—a certain Major John Baird. He was a Scottish gentleman who from 1945 until 1964 served my constituency with great distinction. I mention him particularly because when I made my maiden speech I referred to him, as is the custom, and reminded the House that one of his statements included the words that the Labour party exists

"to make workers of Lords and not Lords of workers."—[*Official Report*, 2 June 1992; Vol. 208, c. 749.]

In this year, 2009, we have yet another promise to reform the House of Lords. I am an abolitionist—unashamedly so. I believe that if this place organised itself properly, particularly in terms of the scrutiny function of Select Committees, it could very well do the job of examining legislation both before it came here and during its passage. To employ Members of this place fully on legislation here, we have to rethink our approach to scrutiny, which would give us the opportunity to diminish—if nothing else—the role of the other place. It could simply make recommendations for amendments, without any powers.

In an elected upper House, I see serious problems arising from a conflict of power—deciding who says what for whom, and when and why, and who represents the people of this country. I still believe that abolition is the best answer. I recognise that it will not happen, but in the next Parliament Members of this House must take on the proper scrutiny of the Executive in a more intense and structured way.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), who moved the motion, referred to an amazing array of institutions and people from his constituency. Of course, it is a London constituency and we should expect that to be reflected. In my borough

and my city of Wolverhampton, we could not possibly match that array—the clusters of diamonds that my right hon. Friend told us about—but I can tell the House that Wolverhampton university takes more working-class students than any other university in Britain and it does very well with them, despite being harassed by the Higher Education Funding Council. None the less, the university is succeeding in the noble task of ensuring the widest possible opportunities for people who want to take advantage of and will benefit from higher education.

We are the home of large companies: Goodyear, Goodrich and Birmingham Midshires, which is now part of Lloyds and a little bit MIA—missing in action—but I am pleased that the Midshires office in my constituency, employing 1,200 people, is unaffected by the redundancies announced by Lloyds earlier this week. I am happy to say that the service it has been giving for many years, under the old name of Birmingham Midshires, to people in the midlands with mortgage problems will continue in the future.

We also have the, not quite as redoubtable as they were, Wolverhampton Wanderers—the Wolves, which provided successive England captains in Stan Cullis, the youngest ever captain of England, and Billy Wright, who achieved more than 100 caps at a time when a player had to start and play every game. There was no coming on for five minutes at the end and getting a cap; every cap was earned with 90 minutes of hard running. He will remain a hero, not just of Wolverhampton, but of the game of football wherever it is played.

Above all, Wolverhampton is home to thousands of skilled workers in the aerospace and automotive industries. The city is proud to have played an important role as part of that workshop of the world and the Commonwealth, the west midlands area, which also includes Birmingham, Dudley and Telford. It is the cradle of industry and we are proud of the part that we have played in ensuring that the wealth of this small country is still almost unparalleled outside the top half dozen countries in the world.

I was a councillor in Wolverhampton for 20 years and I brought to this place my interest in housing and education. I am therefore disappointed that the Queen's Speech did not contain more about rebuilding our stock of council houses. I have never—not even in the deepest days of Mrs. Thatcher—opposed the sale of council housing. I live in a house with a garden and I believe that what was good enough for my children is good enough for other people's children. I want to see houses with gardens that people can buy or rent, whichever suits their circumstances, so I do not oppose the sale of council houses. What I also want to see, however, is the building of many more to replace the stock that is sold.

I have to record, with great sadness, that now in Wolverhampton and, I believe, in many other boroughs and cities, more people are registered for council housing than were in the dark days of Mrs. Thatcher. I am not proud of that. We may well have modernised and improved 2 million houses in our time, which is very worth while, albeit expensive and time consuming.

Mr. Stewart Jackson: Will the hon. Gentleman record his sadness that whereas between 1979 and 1997 successive Conservative Governments built an average of 46,000 social housing units a year, the present Government have built only about 17,000 units since 1997?

Mr. Purchase: I have to acknowledge that as a matter of fact. It does not please me. I have to add, though, that the building of social housing almost entirely by housing associations has led to a serious problem. Both main parties—mine, too—have adhered to the idea that there have to be market rents. The only people who can afford the market rents for housing association dwellings are those who pay no rent at all. That is leading us to a position where we have a residual welfare sector, which is not good for our country. That has to be redressed, so that we can continue to build our society in the way that all of us want.

I was, am and will remain a great supporter of the ideals of comprehensive education. Throughout the 1960s, '70s and '80s, I and people like me who held that ideal engaged in a battle—a battle of minds and of ideas—so that we could extend the opportunity of having the very best education to every young person and prevent the stigma of having failed an 11-plus or 13-plus examination. We fought the good fight and we were winning—indeed, Mrs. Thatcher closed more grammar schools than any other Secretary of State in history, although that is not my point. Now, however, since the advent of city technology colleges, academies, specialist schools and so on, we have more selection than we had for 20 years. That is a grave disappointment to me, even though specialist schools are supposed to be able to choose only 10 per cent. of their pupils, and many of them have chosen not to go down that route. In fact, many head teachers and governing bodies have shown a great deal more allegiance to the ideal of comprehensive universal secondary education than many Governments.

I really hope that people will begin to understand that there is no way that we can pick out at 11 who will benefit most from an academic education and who will not. We need to push this nation along to ensure that every child in the secondary sector, whether they mature at 11, 12, 13 or later, has that opportunity to be taught by people who know their subjects and are enthusiastic about them. I have met teachers who would be happy to teach in a comprehensive school rather than a grammar school, if only they could be assured of getting the A-level group that really challenged them, that made them prepare, and that tested their knowledge of their subject. Those teachers would then be more than happy to work with the other girls and boys who were not on that academic strand and who were not giving the same attention to their studies. We must press on. That is the biggest barrier to Britain advancing in science and education. We must not lose sight of that.

I take considerable interest in international relations. As I mentioned, I was greatly fortunate to be a bag carrier—PPS—to the late Robin Cook. I had known him for many years before that, and his death in 2005 was a great disappointment to me. He made a remarkable speech on Iraq. I can tell the House that it was a very considerable torture to Robin: he had determined that he would go as far as he could and remain a member of the Blair Government, as long as he thought that there was even a glimmer of a hope that the outcome would be different from the one that ultimately unfolded. He then showed absolute courage in saying that he could make no further progress, and resigning with great honour, then making an amazingly good speech to this House. It was a great honour for me to work with him and I remain extremely sad at his passing. He is sorely

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missed, especially from his work as Leader of the House, which he did with such great good humour, knowledge and preparation. I wish I had more time—I could regale the House with one or two anecdotes of that great man.

The Leader of the Opposition often talks of the "broken society." He is referring to families that are simply dysfunctional—in a terrible state, with children who have no understanding of how to behave or to relate to others, and who therefore cause great difficulty through their unsocial behaviour. I think that there is another aspect of the broken society which you can hold between your finger and thumb and say, "This is one of our big problems."

Hon. Members may have read in the papers about a 29-year-old woman who is pursing a case of harassment at work and unfair dismissal. The case has been making the headlines, and although I make no judgments about it, I will say this. The young woman is paid almost £600,000 a year. She is an advertising executive and assistant to the chief executive of the company. He is alleged to have sent e-mails with dirty jokes and made rather lewd remarks, although he says that they were just jokes and not insults.

A 29-year-old—she must be good—is earning £600,000 a year as an advertising executive. I have in my constituency aerospace workers on whose skills hundreds of lives depend—skills that those workers have learned and honed over years of apprenticeship and going to college. Yet those workers, even today, get perhaps £30,000 or £35,000 a year, tops. Now is the time to take stock of this broken society, when a man worth millions can spend his time sending rude e-mails to women workers telling them, in one of them, "You must work more and dress less." When we have that outrage in our society, we need to tackle it, just as much as we need to tackle the problem of youngsters ignored by their parents, who seem to have no idea of how they should be helping those young people to develop.

We are crying out for a more equal society. That does not mean perfect equality—it means a more equal society, and narrowing the gap. As hard as my Government have tried—and I know that they have—we are not closing the gap at anything like the right speed. I do not know whether it is widening, but it is certainly not as narrow as it should be. That is a No. 1 priority for us to address. We simply cannot have a situation whereby someone working in the City or on some kind of financial instrument—even though they may be a good graduate or a very good worker—can earn £600,000 a year at 29, but a skilled artisan working in the aerospace industry earns £30,000. We cannot tolerate that: it has to be changed. That is as much part of the failed society as the children who are failed.

On the subject of incomes, my favourite newspaper, *The Guardian*, printed a big page yesterday showing lots of people and the incomes that they received for their trade or profession. It started off with people earning millions, and the Queen, Her Gracious Majesty, was top of the list with some millions. Others were there with more millions, there were some more earning half a million, and more earning £250,000. So it went on, but not one of the pictures or headings illustrated either a newspaper editor or a political editor—the people who talk about us. They do not do anything, or contribute anything.

It is useful to receive criticism from outside, but we need to get a grip on this income business—not to make everyone the same, but to make sure that people are treated fairly, and that there is some semblance of common sense in the pay of people at the top and of those at the bottom. With those words ringing in people's ears—and, I hope, being seen by their eyes tomorrow—I make a plea to Parliament. These are the key issues: education, addressing the income gap and making sure that it narrows, not widens, and real equality.

8.2 pm

John Hemming (Birmingham, Yardley) (LD): I am pleased to speak after the hon. Member for Wolverhampton, North-East (Mr. Purchase). The issue of council housing has a lot of purchase with me, too. In Birmingham, we can at least say that we are building a small number of new council houses, even if that is done through a municipal housing trust, so that we are not trapped by the housing revenue account calculations and the tax on tenants.

The issue of housing is important not just in isolation but because of its wider effect on people. I have visited two organisations in my constituency that deal with family support: Home Start, which is a voluntary organisation, and a Sure Start centre. I asked Home Start what proportion of family problems arose primarily from housing, and it said 50 per cent. I asked Sure Start what proportion of problems in families with whom it dealt arose primarily from housing, and it said 75 per cent. It is extremely clear that the difficulties at the bottom end—the hon. Gentleman made a point about the poverty trap and the fact that it is difficult for people at that level—have a continuing effect.

It may have been conscious Government policy to try to drive up housing prices, and thus debt on housing, through the constraints on the availability of housing, but there has been a massive social cost. That issue has to be addressed, whoever comes into government, because in practice other costs arise from it. For example, children go into foster care at £40,000 a year, which is a lot of money. A family with a number of children—and I have discussed this with a senior social worker—may go into crisis because of bad housing, and it suddenly costs £150,000 a year to deal with a situation that has arisen as a result of bad housing, rather than from a lack of intent or of ability.

Turning to the Queen's Speech, we face a complex situation arising from the fact that there is a relatively short period before a general election is definitely held. I think the latest date for an election is June—everyone expects one in May at the moment—which in itself causes difficulties. One of the bigger problems is the failure to use processes properly. I am a glutton for punishment, and I serve on the Select Committees on Regulatory Reform, on Procedure, and on Modernisation of the House of Commons. I took the fact that the Modernisation Committee had stopped meeting to mean that we are now modern, but I am not sure that that is true. I am interested to see what happens with the Committee chaired by the hon. Member for Cannock Chase (Dr. Wright), because the basic problem with the House of Commons stems from the fact that it is controlled by the Executive, who control what is debated

and when it is debated. They also control standing orders, although interestingly an Opposition day could be used to modify them.

The fact that the Executive control Parliament's rules and timetable means that Parliament is hobbled. Parliament does not do too good a job of scrutinising legislation. If a mass of Government amendments are tabled to a Bill on Report, for example, and everything is cut out by knives, it is impossible to exercise such scrutiny. The relevant Bill Committee does reasonably well, but we must resolve that problem. We should not have an immigration Bill every year—points have been made about the chief executive of Birmingham city council, who is now running Birmingham international airport—and unless we have less legislation, and unless we get it right as it goes through the House, we have a problem.

Legislation is used for things for which it should not be used. There is a Bill to cut the deficit, but that is not what Bills should be used for. They are meant to establish law. I disagree profoundly with the right hon. Member for Leicester, East (Keith Vaz) and with the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), as I believe that judicial review is a mechanism to make the Government follow the law, which is set by Parliament. Judicial review is a function whereby Ministers, civil servants, quangos and public authorities generally are required to follow the law. As for the issue of how judges are accountable, they make decisions or orders, and they explain the reasoning for their decisions in a judgment. If there is a problem with a judicial review decision, people should read the judgment and find out about the point of law in which all the difficulties lie. If they are not happy with judges controlling Ministers through judicial review, they should change the law, but judges are there to make sure that Ministers follow the law.

Much as I am critical of the way in which Parliament manages to manage the legislative process, I am more critical of the way in which we hold the Government to account by tabling questions. For a long period, I have been concerned about the fact that, if those questions are not answered, nothing very much is done. The Minister for Europe told the Procedure Committee that, in short, if Members did not like the fact that the Government did not answer questions, they should beat the Government at the next election. That method of accountability is no good, and I have described it as trying to avoid a car crash by looking in the rear view mirror at the car crash that happened two years ago. We are not monitoring what the Government are doing now—what we are monitoring is the report that came out about a disaster some time ago. Nothing is done to address the serious problems that affect different aspects of the system of accountability today.

Silly things have arisen such as the fact that the Government suddenly announced that the uniform business rate was not going to go up but, in practice, councils could not change their computer systems, so everyone was charged the increased rate. That sort of nonsense goes on all the time. A lot is driven by the media agenda, rather than by good government, and what we get is a disaster from government. I take an interest in legal issues, particularly in the family division. One of my constituents came to see me about her son, who had been jailed for five years, because he had set fire to the house in which they lived. We looked through the paperwork, which said that the Crown Prosecution Service had looked at his case, and thought that he should be sectioned, because he was a bit inadequate and doolally. However, he could not be sectioned, because the health service would not accept him, so the CPS wanted a hospital order, and therefore prosecuted him. He ended up with a five-year jail sentence, and the barrister said that there was no way in which the family could appeal it. The mother came to see me, we filled in all the forms and sent them to the Court of Appeal, and her son was released.

The issue there is the advice desert. If someone gets legal aid and loses in a case, they get an opinion from the same barrister as to whether they would win on appeal. That is a mistake, because the barrister is asked to write an opinion about what they got wrong. When a case is lost and an opinion is written as to the chances of an appeal, it would be far better procedurally if it were written by somebody other than the person who handled the original case. One of the problems is miscarriages of justice. In that case there was a clear miscarriage of justice.

Angela Watkinson (Upminster) (Con): Does the hon. Gentleman think the Sentencing Guidelines Council is advantageous? Does it improve the way that judges carry out their jobs or is it a hindrance?

John Hemming: I like to look at cases in detail and I do not know enough about that. Much of the time, what we do in this place is pick on a case that seems wrong. There are cases that seem wrong superficially, but we need to consider a set of cases. There are systematic problems in child protection, for instance—take the Climbié inquiry or the case of baby P—but often we focus on one case. I am sorry, but I do not know enough to answer that question, which may seem an odd thing to say.

I spend a lot of time looking at individual cases. The case that I cited is still grinding through the system. I wrote to the Ministry of Justice and asked who takes responsibility for stopping miscarriages of justice. The answer was the judges. Another area of concern to me is medical evidence, particularly in areas such as shaken baby syndrome, where there is no settled scientific opinion. There is no scientific proof that the opinion relied on in court is reliable. A number of people have been released after miscarriages of justice in such cases.

That brings me to another interesting point about miscarriages of justice. We spend considerable amounts of money on people who are released from jail and who were guilty. That is a reasonable thing to do, in the sense that we do not want to dump people straight away. But we spend no money on people who are released from jail and who were innocent. That is absurd. I had a meeting with a number of people who were innocent and jailed. They raised a number of issues, and we looked at compensation for miscarriages of justice.

It is interesting that a number of people have died before getting their final compensation, which does not seem very good from my point of view, although there are interim arrangements. The number is about 20, although four of those were posthumous. Those people had been sentenced to death in the past, and the miscarriage of justice was identified only after the person had died, so we cannot complain that compensation was not paid until after they had died. In the other 16 cases, there is a

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concern that we are not treating with respect people who have been jailed wrongly. In fact, we are treating them with less respect than those people who have committed the offence and been properly jailed. That is an issue that the Government need to examine, although it may not require legislation.

Another area about which I am concerned is the lack of action by the Ministry of Justice on the Crown dependencies. Because I undertake work in the family division, many people contact me. I currently have two cases relating to the Isle of Man, and I have a senator living in my flat in London. Senator Stuart Syvret was elected by the whole island of Jersey. He revealed on his web log that a nurse, Andrew Marolia, had been found to have probably murdered a number of patients. He was then prosecuted under the Data Protection Act by Jersey. He was not allowed to adduce as evidence the case to which he referred on his web log, which is a public interest defence—that he needed to reveal the failures of the judicial system in Jersey.

Anyone who has been following the case will know that there are great concerns in Jersey. A number of people have written to me from Jersey expressing concerns about the failure of the criminal justice system. The argument has been put that people should take everything through the judicial process in Jersey, but when there is a failure to prosecute child abusers in Jersey, which is happening—people have seen the "Panorama" programmes on that—and there is no process of judicial review for the prosecuting apparatus, which is what the Attorney-General in Jersey says, that is a serious problem. It is a problem for which the Ministry of Justice is responsible.

Although Jersey is not part of the United Kingdom, the Ministry of Justice is responsible for good law in Jersey. Someone who was elected by the whole island of Jersey, and who got the largest number of vote across the island—it is not a big island, so 15,000 was the largest number of votes—is effectively in exile in London, while warrants for his arrest continue to be issued on Jersey. He wants to come and talk to hon. Members and I am sure we will sort that out in the near future. Although something was done about the Turks and Caicos islands, nothing is being done about Jersey. That is a clear failing of the Government.

Andrew Mackinlay (Thurrock) (Lab): I have listened carefully to what the hon. Gentleman said. There is a difference between the Turks and Caicos islands, which is an overseas territory, where competence for good governance and European norms rests with the Foreign Office. Jersey, Guernsey and the Isle of Man are separate jurisdictions. Provided they meet European Union norms, their systems are their business and the business of their voters.

John Hemming: The Berkeley brothers took the issue of the system of law in Sark, which is linked with Guernsey, to judicial review. It was seen clearly as a responsibility of the Ministry of Justice. It is settled UK law that that responsibility rests within the UK. I accept that there are differences of status. Whereas I am not sure about the settled legal position on the Turks and Caicos islands, there is a settled legal position for Crown dependencies, which is that the Ministry of Justice has a duty to act. *[Interruption.]* The hon. Gentleman interrupts from a sedentary position, referring to European norms. That is correct. Under article 6 requirements, the UK is responsible for maintaining the compliance with the European convention on human rights of the Crown dependencies.

That brings me to the point raised earlier about the European convention on human rights. There is a proposal that judges in England should not be allowed to look at the European convention on human rights, but that people should still be able to take a case, as an individual case, to Strasbourg. That is absurd. A case must go all the way through the courts in England before they can consider whether it is compliant with the European convention.

I had a case in my constituency on the Child Support Agency recently in which we did quite well. Partners had split up, somebody had got married and got more children. The money being asked for from the CSA was such that it was in the financial interests of the second couple to split up. The amount of money that the new wife was being asked to contribute, effectively to go to the older children, was such that the couple would be financially better off if they split up. We decided to put the case to the CSA tribunal with an article 8 argument, which is that the Government do not have the legal right to interfere with the family and force them to split up.

We won. This may be the first time that that has happened. Hon. Members are aware how difficult it is to deal with the CSA. That is a good example of how the European convention on human rights in domestic law can work well. There are silly cases, and people have a right to ask for silly things and be told no. But the European convention does protect people's rights.

Chairing Justice for Families—I declare my interest—I work with a number of hon. Members to get their constituents' cases into the European court. We have the usual problem that it is all well and good getting legal aid in the lower courts, but in the higher courts it is very difficult to get any support. I have a network of about 70 people across England, a couple in Scotland and a couple in Wales who help people in courts. They help them fight the injustice that goes on in the family courts, where there are many procedural problems.

I am very pleased that on Monday the Legal Affairs and Human Rights Committee of the Council of Europe decided to establish an inquiry into family courts and human rights across Europe, with the hon. Member for Rochdale (Paul Rowen) as its rapporteur. We now have an opportunity to look at that issue in more detail. I find it sad that, when the UK has had so many stresses in family law, we have not managed to do the same in the UK Parliament. The UK has had stresses in private family law, which deals with situations when partners divide; and in public family law, which deals with situations when the state interferes in the family. Often the two overlap, and that issue is a responsibility for the UK Parliament.

On patterns of accountability, it is wrong to say that judges are not accountable, because they are. They are required to explain their judgments. The Queen's Speech does not mention this measure, but I am pleased that the Government will improve the accountability of judges in the family court. The problem is that one cannot

discuss publicly, even if anonymously, the contents of a judgment in the family court unless it has gone to the Court of Appeal or one has judicial permission. It is good that the Government have introduced some pilot schemes, and they should happen in all courts. The courts should not say, "This is the decision, but you can't say why it has been taken." Court orders are always public documents, and that is why super-injunctions are strange. I discussed that issue with a Law Lord recently. There is an argument for a super-injunction lasting a week or two, when assets are being frozen around the world and one does not want people to find out what is going on. However, court orders should be public documents. The European convention on human rights makes that very clear. One may redact part of it, but not otherwise.

Freedom of speech is in a dreadful mess in this country, such that American newspapers are considering banning Britons from viewing their websites and stopping selling American newspapers here because of libel tourism. The issue is not about the damages; it is all about the costs. The threat of libel costs has a chilling effect on free speech in the scientific and general media arenas. That is our responsibility: there is no reason why we should allow a dispute over damages of £1,000 to have potential costs of £500,000 on each side. There is a tradition in UK law that the costs follow the action, but why that should be so for a strict liability offence, such as defamation, is unclear. One may say that damages should be limited to £5,000, but the issue is serious and ongoing, and there is no mention in the Gracious Speech about the effect on freedom of speech in this country. To be fair to the courts, new procedural rules were introduced in October to manage the costs situation, but we have a real problem with the constraints on freedom of speech which arise from legal costs.

On family law, the Government have done a really good job—gradually. They could have done it a lot faster, but let us recognise that progress is being made in opening up the family courts. There is a wide range of concerns about family life, and some of it comes from the judicial environment, in which bad practice is encouraged at times and tolerated by the system. It should not be. Judges are held to account by their judgments; however, at times, it is very difficult to get a written judgment out of the courts. It can take a number of months. They say that three months is reasonable for a judgment, but I am not talking about reserve judgments, when a decision has not been taken; I am talking about the circumstances in which a decision has been taken and implemented, but one cannot get the judge's reasons in writing for three months.

I have had cases in which it has taken six months to get judges' reasonings. One cannot really appeal a case until one has the judge's reasoning, so that makes things very difficult, although we have appealed cases on the basis of no reasoning, which is a basis for an appeal. However, that should not have to happen. There is accountability for the process, but merely leaving the issue to lawyers is not adequate.

The rule of law is important to absolutely everybody. If one knows the law, one should follow it. We should not have to go to court to enforce the law, because people should follow it, and the court is there to enforce the law if people do not follow it. We have particular problems in family law. This year is the 20th anniversary of the Children Act 1989, but that Act gives us procedure, not law. It does not say what should happen in certain circumstances or, for instance, that both parents have a duty when they split up to make sure the child stays in touch with them. That would be a good first step and some real law. However, the Act actually says, "If you want the court to make a decision, you need to fill in this application for this section and that application for that section."

Similarly, Baroness Deech said that there is a problem with divorce law. The same principle exists: we do not have law; we leave the judges with massive discretion. That is a really big problem, because in public family law people know which judge will give which answer, and some judges will give one answer and other judges will give another. That is not law; that is just giving power to a judge. I am working with the hon. Member for Poole (Mr. Syms) on a case involving a 17-year-old boy who has been sectioned while in care. We have some serious concerns about that, but getting a handle on it and any proper explanation from the system is not easy. That is no good at all when somebody is in such a powerless situation—perhaps they have been sectioned and their family are concerned—and we should develop some proper family law. Currently, we do not have family law; we have family procedure. Such measures would make a big difference, because one would be able to tell people, "We expect that if parents split up, they'll put the best interests of the child first and try and work together to maintain contact." Instead, a report last week said that people use children as bargaining chips, which is fundamentally wrong. We do not have any law that says, "You mustn't use children as bargaining chips," and such legislation would be a good way forward. It would be nice if the Government made an effort in that area.

With all the secrecy in the family division, one difficulty is that people do not know what decisions have been taken or why. The Government are gradually going to open up the system to reveal what decisions have been taken and why. That will allow Parliament or the public to scrutinise more widely on an anonymous basis what is going on. People should not be required to dress up as super-heroes to draw attention to their situation. The amount of gagging that prevents people from talking about their cases is fundamentally wrong, but I recognise that the Government have made two important if small steps in the right direction and that they are talking about making a third during this Parliament, even if the Queen's Speech does not actually mention it.

One of my particular concerns is the use of mental capacity and adjudging people not capable to instruct a solicitor. I have had two cases in which mothers were prevented from contesting their cases—both have gone to the European Court of Human Rights—because they were told that they were too stupid to instruct a solicitor. The expert who wrote that was jointly appointed by the local authority. That is standard practice, but they are therefore beholden to the authority, and that is a ludicrous situation.

One mother was an Asian lady who did not speak English, and she was given an IQ test through an interpreter. We should not disqualify somebody from the right to instruct their own solicitor because they fail an IQ test taken through an interpreter. That is madness, but it has been going on in the family division. Luckily,

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article 9 of the Bill of Rights applies, and I can therefore talk about that case. I am not a lawyer; I am a physicist by training and more of a mathematical person. But in my view, as somebody who is not a lawyer, it is spectacularly bad to exclude someone from the judicial process. The authorities are saying, "You can't oppose this, because you are too stupid and it is like you're in a coma." Then, the Official Solicitor comes in and concedes everything against such people. Those two cases are not unique, but one does not see them all.

We need to look towards a change of culture in the children's care environment. On Saturday, I had a meeting in my constituency office with several parents of children who are on the autistic spectrum, all of whom said that they feel as though the system does not listen to them at all. They are, to be fair, the people who know their children best, but they are kept out of it, so that when a panel makes a decision they are not allowed to attend. I hope, with my local authority, to see whether we can improve the situation and get better communication. Again, the situation arises whereby things are done to people without their consent. Things are working very badly in many of these areas, yet there is no mention of that whatsoever in the Gracious Speech. We need to get more of a focus on what should be done.

Legislating to introduce measures that are really Government policy—for instance, cutting the budget deficit by 50 per cent.—is a misuse of legislation, which is not intended for that purpose. Legislation is intended to establish law; Government policy is a separate matter. Policy should be reviewable now, not in retrospect two years later, which is what happens at the moment. There are some serious problems to deal with before we get to the major financial problems that we face, and proper attention is not being given to those issues.

On Afghanistan, people fail to understand the nature of segmented societies. There is a topic of study called political anthropology whereby one can look at how societies operate. In essence, we are trying to change the culture of a society through military means. I have a lot of confidence in the British armed forces—I am sure that they can win any battle—but using them to try to change a culture is the wrong mechanism. If a culture is going to change, it will do so over a number of years. In an honour-based system whereby if somebody's tribal brother is killed it is then their duty to take revenge, it is very difficult to calm these situations down. Much as I pay tribute to the British armed forces and have great confidence in their ability to win any military battle, the Government are making a mistake by giving them a cultural and political objective rather than a military objective. That is another matter that the Government should review urgently but does not appear in the Queen's Speech.

We face a lot of problems as a society. The Government are misusing the Queen's Speech. There should be a general election now; sadly, we know that there will not be. However, whatever happens in future, I intend to continue to try to deal with these issues, which are not necessarily party political; I find that I work with hon. Members in all parts of the House. I intend to press to reduce miscarriages of justice, particularly in the family division, and I look forward to working with hon. Members in doing so.

8.32 pm

Andrew Mackinlay (Thurrock) (Lab): Over the past 17 years in which I have been a Member of Parliament, I have been pleased to use the occasion of the first day of the Queen's Speech debate to set out my stall and amplify my views on a number of issues. The opportunity presented by our convention allows us to address a broad canvas of issues on this day, a right exercised by the hon. Member for Birmingham, Yardley (John Hemming).

I also want to refer to the rubrics of today's ceremony. I am one of those people who defend the ceremonial, and I think that it is superb. However, we need to reflect on the absurdity of having these state openings of Parliament year after year. In my view, it would be much more sensible, in a modern Parliament, for us to have the state opening ceremony at the beginning of a Parliament after a general election and for there to be a seamless robe instead of these wholly artificial Sessions, particularly now that we have carry-over motions and so on, with much legislation never heralded in the Gracious Speech. It would be much better if we had the ceremony once, given all the expense, which cannot be dismissed nowadays, and the inconvenience to people who need to move around this part of central London. Last but by no means least, there is the fact that a large number of our skilled and dedicated armed forces are proudly associated with the state opening ceremony; that cannot be justified year after year, bearing in mind that there will almost certainly be another ceremony next May. I hope that whoever wins the next general election will reflect on this and move to make arrangements whereby we have one Session for one Parliament and there is a seamless robe in terms of the legislative programme for the duration of that Parliament instead of frequently having these artificial, and very costly, state opening ceremonies.

For many hon. Members who have spoken today and are not now in the Chamber, and for myself, this occasion is an opportunity for a valedictory. I looked at a report of my maiden speech, which I delivered on the first day of the Queen's Speech debate in 1992, to see what I had said. I intend to leave the House of Commons at the next general election, so I was pleased to see a number of things in that speech with which I am proud to be associated—*[Interruption.]* Fortunately, when I came into Parliament in 1992, we did not have high technologies that trespass on us both in this Chamber and at weekends.

In the Queen's Speech debate in 1992, I advocated the admission of Poland, Hungary and the Czech Republic to the European Union. Not only are they now robust members of the EU, but I am proud that the Labour Government fast-tracked, supported and argued for the expansion of the EU. Whatever our differences on Europe, we can recognise that the expansion of the EU means that countries that have a chequered history—of a century or more, in the case of Poland—of occupation, partition and so on, have rightfully taken their place in, and are contributing to, the club of free nations, to their benefit and ours. One thing that is not spoken about enough is the fact that the European Union is a great vehicle for conflict resolution and minimisation, apart from the commercial, political and economic contributions it makes to our part of the globe.

The second thing I noticed when reading my contribution in 1992 was that I referred to the need to improve industrial relations. In the great sweep of the period of this Labour Government, industrial relations have significantly improved. The period has been relatively free of strife and conflict, compared with the 20 years or quarter of a century before 1997.

I am pleased that in today's Queen's Speech, there is talk of advancing agency employees' rights; and that there is going to be greater disclosure regarding the opportunities for workers to get redress and remedies, and to point out pay and opportunity injustices when there is discrimination on gender grounds. I very much welcome the introduction of such measures by this Labour Government.

Most Members of the House will welcome, at least in principle, the Government providing, through the personal care at home Bill, much-needed additional support for people suffering dementia and other conditions to help their loved ones and carers; and intensive support for such vulnerable people. Most will also welcome the measures for re-ablement technology to assist and improve the quality of life of our fellow citizens who suffer from those conditions.

I obviously welcome the fact that we have a carry-over motion—it was referred to in the Queen's Speech—for the Constitutional Reform and Governance Bill, and the intention to produce at least a draft Bill in respect of democratising the upper House. On the latter, it is disappointing that after 13 years, and even though the 1997 Labour manifesto said that we were going to introduce such a measure, there has not been much of an advance.

I am leaving the House at the general election, primarily because I felt, physically and mentally, that I needed a sabbatical. I deliberately tell the House that because I am not going away. If there was an opportunity for election to the upper House, I would love to be one of the first of the new, or at least to be able to offer myself. However, I am not holding my breath, because I have heard Governments time and again say that they are going to address the matter, but it does not happen. That reflects the deep conservatism on this issue.

Simple measures could have been introduced to make this House and the other place much more meaningful. Some colleagues have already referred to the GOATs—Ministers in a Government of all the talents—some of whom were Ministers for only a short period. I did invite the Modernisation of the House of Commons Committee to consider whether we could allow Ministers in the Lords to come and answer questions here on their portfolios and, if they were the architects of legislation, to be allowed to pilot it through this House, and for the reverse to happen as well, with Ministers from the Commons appearing in the Lords. It is not rocket science, and it happens in many legislatures around the world, including some Westminster-style ones.

Indeed, I cannot see why it is necessary for Ministers to be members of the legislature, and there are many good reasons why they should not be. If a Deputy in the French National Assembly becomes a Minister, a suppléant takes over to represent their constituency in the interests of the voters, and the Minister can focus on their ministerial portfolio. If it is right for me, as a Back Bencher, to raise issues—such as the railways, the hospital service, the environment, the Thames and Afghanistan—through parliamentary questions, Adjournment debates and debates in Westminster Hall, why cannot a neighbouring Member do so if they happen to be a Minister? How can that position be defended? If they are the Under-Secretary of State for paperclips and statues, the only thing that they can speak about in the House is paperclips and statues. Their electorate is therefore disfranchised, compared with the electorate of a Back Bencher. We need to consider that issue with dispatch, if we are to enhance the bruised reputation of Parliament.

The Gracious Speech also referred, rightly, to advancing devolution in Scotland and Wales. However, despite that, for many hours this afternoon and evening, there has been no Member from Scotland present. There has been one Plaid Cymru Member waiting to catch the Chair's eye. I also find it frustrating that when questions of devolution are discussed, many colleagues representing English constituencies seem to think that it is not their business. It is most definitely our business, because it is a question of the constitution of the United Kingdom, and there is a desperate need to address what is known as the West Lothian question. My Government are in denial about the problem, but each time we rightly advance devolution in Scotland and Wales, the West Lothian question becomes more perverse. One day, this issue will be addressed, but because of this Government's failure to act, it will be on terms dictated by others. It would be much better to embrace the issue now.

In any event, we need constitutional symmetry. One of the most important arguments for devolving power to Scotland, Wales and Northern Ireland is the need for good governance. Decisions should be made and initiatives taken at local level, and the suggestion that that issue cannot be addressed in relation to England is absurd. The very Union that the overwhelming majority of Members wish to defend is being endangered by our refusal to accept the need for symmetry. Indeed, we are creating greater anomalies all the time. I therefore urge Members representing English constituencies to be much more interested in this issue. I also urge the Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole), who is sitting on the Treasury Bench, to take the matter back to the Government, because we really need to address the West Lothian question, as a matter of fairness and in defence of the Union. Not to do so would be foolhardy in the extreme.

Andrew Stunell (Hazel Grove) (LD): I always listen to the hon. Gentleman with the greatest interest. I should like to remind him that the north-west of England has a bigger population than Scotland and that, for some of us, an English solution that still leaves civil servants taking decisions behind desks in Whitehall is not what we are looking for. We are looking for those decisions to be taken in the north-west of England.

Andrew Mackinlay: Obviously, I have a great deal of sympathy for what the hon. Gentleman is saying. Either we have to have an English Parliament, or we need a number of Parliaments within England. I have an open mind as to whether we should create provincial Parliaments in England to represent populations comparable to those of Wales, Scotland or Northern Ireland, or whether we should have an English Parliament. We cannot, however, go on with this nonsense whereby people can not only come down from Scotland and vote on exclusively English matters but actually be Ministers dealing with

[Andrew Mackinlay]

such issues. An example is the Dartford toll bridge. A Minister who is a Scottish Member of Parliament told me that I had to have higher tolls on the Dartford toll bridge, when a comparable decision had just, rightly, been taken to remove the tolls from the bridge across the Clyde. That was a very sensible decision, but it was nothing to do with me. That position is just not sustainable.

This very day, a report was published by the All Wales Convention, which was set up by the National Assembly of Wales—to its credit—under Emyr Jones Parry to look into whether devolution in Wales could be advanced. The fact is that any such greater devolution—which I support—will have ramifications for the constituency of the hon. Gentleman and for mine. That report is not available in the Vote Office, however. I got an executive summary of it through the good offices of a member of an Opposition party. We cannot go on like this. The Calman commission produced a similar report into further devolution for Scotland, initiated largely by the Scottish Government, but with a nod and a wink and some support from the Secretary of State for Scotland and the Prime Minister. That, too, has ramifications for my constituency. I just wish that we could get a grip on this issue and address the modernisation of the United Kingdom constitution, in order to create parity of treatment and constitutional symmetry.

I also want to raise an important constituency issue, which affects not only Thurrock but the wider Thames Gateway area. A little while after my party came into office, in order to increase the supply of housing stock and to create jobs, it developed a strategy for expanding in the Thames Gateway to the east of London. I supported that policy then, and I still do, but I am bitterly disappointed at how slow and sluggish its implementation has been. One problem is that Tony Blair and the present Prime Minister have kept moving their Ministers. This is true of so many Ministries. These Prime Ministers have an obsession with changing their Ministers every few months. There is never any settlement, and never any ownership of the issues. Some Ministers change their minds, and sometimes the civil servants think, "Ah, we've got rid of him and her; now we can reverse some of their initiatives." This is bad governance.

In the past year or two, there has actually been significant progress, but I hear a rumour that the current Secretary of State for Communities and Local Government is contemplating giving the responsibility that is vested in the Thurrock Thames Gateway Development Corporation to an outfit called the Homes and Communities Agency. I am implacably opposed to that, to the extent that in the few weeks I have left in this place, there is going to be one hell of a row if the daft Minister decides to hand this over to a man called Bob Kerslake and this national quango, which has been created on top of the plethora of bodies that already exist in the Thames Gateway.

This is completely bonkers, and I hope that the Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole), who is sitting on the Treasury Bench, will tell the Communities and Local Government Secretary tomorrow that the Member for Thurrock who supported and sustained the policy of developing the Thames Gateway is not in favour of the Thurrock Thames Gateway Development Corporation losing its powers and having them handed over to a big national quango, which cannot, in my view, either address the needs of the people of Thurrock and the Thames Gateway, or achieve the Government's objectives of increasing the housing stock in this important region as well as creating jobs. This would be foolhardy in the extreme, so I hope that that message will be conveyed back.

I have spoken informally behind the Chair to the hon. Member for Southend, West (Mr. Amess) and other Essex MPs. It is interesting to note that when we raise matters relating to our constituencies or the wider region, BBC Essex is dilatory about reporting Parliament and the issues raised by Members, whether they be left, right or centre, about the county of Essex. If the issue is expenses, of course, the BBC people are on the telephone, but we do not get good reporting from BBC Essex, which I am angry about.

BBC Essex has closed studios in Southend. It had a newsgathering facility provided by the borough of Thurrock at the western end, but it did not use it, and gave it up. It is time that we complained about the coverage by BBC local radio. I imagine that hon. Members in other areas will have similar experiences. The service is parlous, and I believe it is time we demanded that BBC Essex and other BBC radio stations up and down the country report real news and real initiatives by councillors and MPs speaking on and about local issues. They are supposed to be providing local news and local interest.

Colleagues have expressed disappointment or, in some cases, surprise that there was no legislation relating to immigration and/or the stewardship of our borders by the Border and Immigration Agency. All I can say is that I simply cannot understand why successive Governments have not been able to get on top of managing the migration system. MPs of all parties have cases in which the Border and Immigration Agency is behaving in a totally absurd manner, with consequences of great hardship, great anxiety and, in some cases, cruelty to individuals.

I have frequently had cases in which people have, rightly or wrongly, lived in the UK for many years, and have developed relationships and had children and are living as loving family units. We are told, however, that we have to wait until 2011 for those cases to be resolved. It is indefensible that we cannot provide a swift common-sense remedy, because we know what common-sense remedy will eventually prevail: these people will be allowed, for a whole variety of sensible human rights reasons, to gain permanent leave to remain in the UK. Why cannot this agency, and Ministers, address the problem? It is just beyond me; I urge them to revisit the issue.

We expected electoral reform to be mentioned in the Gracious Speech, but it does not seem to have emerged in the way that some of us had hoped for. Both before and during my time in the House, I have believed that we need to alter the electoral system both for Westminster and for local government. Failure to address that need will be a source of further aggravation. There are ways in which we could reach a consensus across parties. We could find a way of maintaining the single Member constituency system while making people's votes count much more. We could create a system in which every Member of Parliament would be able to say that he or

she had a mandate from more than 50 per cent. of the electorate. I cannot see why the Queen's Speech did not at least issue a promissory note to voters saying that if a Labour Government were returned at the next election, electoral reform would follow. There should have been a paving Bill to that effect.

I hope that over the next few days of our debate on the Queen's Speech we may hear some news from the Government. Our detailed debates on justice and home affairs will give them an opportunity to address the issue. In my view, there is an urgent requirement for electoral reform to be put both before Parliament and before the country as a whole.

Other Members, who have been very patient, wish to speak, so I shall not labour my points for much longer. However, I think that we need to be much more ambitious in asserting the rights of the House over the Executive, and indeed the Opposition Front Bench. The Executive are to blame to a large extent—the Executive of the day, that is; the same would be true if there were a Conservative Government—but there is also a cosy consensus between the Front Benches which excludes the influence of Back Benchers, and I think that it needs to be broken down.

You have been here for many years, Madam Deputy Speaker. If you read past Gracious Speeches, you will find that, certainly in your early years in the House, they gave details of overseas state visits made by the monarch, and of the people whom she expected to welcome on their state visits to this country. The latter practice has largely ended. When I inquired about that I was told that it was to do with security, but I think it is going too far for us not to announce when Heads of State are to visit and when visits are to be made at "state visit" level. The public should be given more notice. I suspect that on occasion many Members have observed some disruption in London, or some extra flags flying, and have inquired about the reasons, only to discover that there had been a state visit earlier in the day. A significant Head of State may have visited, but it is possible that no Member of Parliament will have known about it.

I mention that matter for a variety of reasons. One of them is a parliamentary reason. I feel that whenever there is a state visit there should be a presumption that the Head of State involved will address both Houses of Parliament, but that does not always happen. In fact, I think that on the majority of occasions it does not happen, and that is wrong. A state visit by a Head of State is a visit to the country. It is not just a visit to the Government or to our Head of State. After all, it is the tradition for our Head of State to address legislatures when she goes around the world, both in the Commonwealth and in other states. It is also the tradition for many other Parliaments to welcome people to address them in their chamber. I think that we should develop the practice of insisting that both the House of Lords and the House of Commons welcome people making state visits in a very formal way. Perhaps the Chambers could alternate as host.

This is the last time I will do this in the House, Madam Deputy Speaker, but let me, by way of illustration, remind you of a speech by Winston Churchill. He said, "The French generals told the divided Cabinet that in three weeks England would have her neck wrung like a chicken. Some chicken! Some neck!" That speech was delivered in the Canadian House of Commons—and that is the tradition. Mr. Blair and our current Prime Minister often address other legislatures. Why do we not at least invite visiting Heads of State into our legislative Chamber—and also, for that matter, important Heads of Government? That would be a very good innovation.

Although I hope to catch the Speaker's eye again between now and Dissolution, I shall conclude my remarks tonight by referring to the pride that I have taken in being a Member of this House, and to the fact that colleagues left, right and centre have been bruised recently, and in many cases traduced. We have got ourselves to blame to a large extent, of course, but some of the vitriol and criticism have been wholly disproportionate. I hope that Members will get an opportunity to read the contribution that I am making this evening, because I shall now quote some words of Teddy Roosevelt, a distinguished President of the United States at the beginning of the last century. He said:

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly; who errs and comes short again and again; because there is not effort without error and shortcomings; but who does actually strive to do the deed; who knows the great enthusiasm, the great devotion, who spends himself in a worthy cause, who at the best knows in the end the triumph of high achievement and who at the worst, if he fails, at least he fails while daring greatly. So that his place shall never be with those cold and timid souls who know neither victory nor defeat."

I think we should take heart. There are people outside this House—we know them—who find it easy to traduce but never to contribute to public life. There are many people who say repeatedly that they could do the job of a Member of Parliament more cheaply and better than we do it. It is perfectly reasonable for them to assert that, but if they believe they can do the job more cheaply and—this is the important ingredient—better, not only may they stand at the next general election, but I say they have an obligation to stand. If they are elected, they will have to fulfil their duties in the way they have outlined to the people outside this place. They will also have to remember that resources are limited, and that being a Member of Parliament is not about being away in the recess and enjoying relaxation, but that it is a 52-week-a-year commitment, seven days a week, 24 hours a day. Therefore, I say to our critics, "Yes, you're entitled to criticise us, and we will never want to stop you doing so, but if you feel so strongly about this and think you can do the job better and more cheaply, not only can you stand at the next election, but you have an obligation to stand."

9.4 pm

Hywel Williams (Caernarfon) (PC): It is always a pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay). I hope I am not being too premature in paying a tribute to him, but may I say that he is always a pugnacious parliamentary performer, and also highly creative and at times highly entertaining as well?

As the hon. Gentleman alluded to the report of Sir Emyr Jones Parry, perhaps I should start by discussing that. Today is a very important day in Wales: not only do we have the Queen's Speech, but there is also the publication of Sir Emyr Jones Parry's report on further devolution—on, in fact, full law-making powers for the

[Hywel Williams]

Welsh Assembly, or the so-called part 4 powers. This is highly pertinent to our debate now and over the next few days, as some of the flagship elements of the Queen's Speech are to do with devolved matters, specifically education and social care. Those matters are the responsibility of the Welsh Assembly Government and the Welsh Assembly itself. The hon. Gentleman referred to the fact that we have not heard contributions from Welsh or Scottish Members today, aside from an intervention by my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd). I am glad to see that the hon. Member for Ceredigion (Mark Williams) has come into the Chamber because if he had not, Wales would be unrepresented, save for myself. Wales should be represented here as this is an extremely important occasion, because of not only Sir Emyr Jones Parry's report, but the Queen's Speech.

There has been frenzied discussion in the press over the past few days as to how much of this Queen's Speech will be enacted. I found myself in the novel and rather disconcerting position of being in agreement with the right hon. Member for Wokingham (Mr. Redwood) earlier. Hon. Members who know of his previous career as Secretary of State for Wales will know how strange it is for me to agree with him, but I, too, find the trailing or leaking beforehand of the Queen's Speech, and of other matters, highly irritating. I listen every day to the "Today" programme and hear matters related there that should be related to this place first. His arguments would have been somewhat stronger had he given the House an undertaking that should his party be returned to government it would immediately abandon these practices, but he made no mention of that eventuality.

The Queen's Speech was trailed and one of the questions discussed was whether or not it was just a manifesto for the next general election. I wish to respond on behalf of my party by saying that if it is, there are certain matters that we welcome. We welcome the statement that there will be further devolution. Devolution has been going on, but it has been under the hatches as far as most people in this place are concerned. The legislative competence orders—LCOs—have been considered by the Select Committee on Welsh Affairs, on which the hon. Member for Ceredigion and I serve, and they have transferred a great deal of power to the Welsh Assembly.

Mark Williams (Ceredigion) (LD): The hon. Gentleman has alluded to Sir Emyr Jones Parry's report and to the LCO process, which some of us would say we endure, rather than celebrate. One of the points that Sir Emyr Jones Parry made was about the lack of clarity in the government of Wales—in the transfer of powers. What does the hon. Gentleman feel about that, given what the hon. Member for Thurrock (Andrew Mackinlay) said about wanting an holistic approach and about our wanting good, accountable government and decision making closer to the people affected by the decisions?

Hywel Williams: I thank the hon. Gentleman for that intervention. The LCO process is highly mysterious to some people and extremely boring to others. I have counted the steps in the devolution of power through that process and I believe that there are 27 such steps—there can sometimes be 28 and there may even be 29 if, as is likely, we discuss LCOs in respect of the Welsh language on the Floor of the House—before the Welsh Assembly takes any step towards passing a measure.

We have recently discussed the LCO in respect of having regulations for sprinklers in new domestic builds. It has taken two and a half years from the initial inception of the idea that sprinklers should be made mandatory to its being discussed here, and it will take another six to eight months before it is eventually passed and a measure takes the simple step of having building regulations in Wales on the installation of sprinklers. I understand from the Assembly Member responsible on this that every year some 25 people in Wales die in fires that could be prevented by sprinklers. We are also talking about £128 million of damage caused every year by fires that could be prevented in that way, so there is a real issue to address because people have died and great damage has been done. I shall not go on about the devolution process, because I know that yet another Member—the hon. Member for Brent, North (Barry Gardiner)—has been patiently waiting to make his contribution.

I said that we would welcome elements of the Queen's Speech if they form part of a manifesto. The statements on child poverty are extremely welcome—I shall refer to that later—as too are the energy Bill and the extension of the social tariff. I draw the House's attention to the fact that the Welsh Assembly Government do not have great power in the latter field, and we would welcome further consideration of devolution on the matter. As part of my general welcome to the Queen's Speech, I should mention that the digital economy Bill, too, is very welcome. One hon. Member referred to the wonderful broadband service in England and Wales, but he could have dropped the reference to Wales—or, at least, to my constituency, where generally the broadband service is pretty awful.

I would like to raise a matter that has concerned me since I became aware of it a couple of years ago. When broadcasting goes digital, as it has been doing in north-west Wales over the past few weeks, digital radio will be made available. In the north-west, that will include Radio 1, Radio 2, Radio 3, Radio 4, Radio 5 Live and the Asian Network, but Radio Cymru, which broadcasts in Welsh and whose heartland audience is in the north-west, will not be broadcast digitally there until 2015, as was referred to in the Queen's Speech. For possibly four or five years, therefore, all kinds of services will be available digitally through the medium of English, but the core listenership of Radio Cymru will be unable to access the latter digitally. That seems perverse to say the least, and I wish that someone would take a look at it. I have drawn the Government's attention to it in the past; I hope that they will pay attention to it in the future.

We, in Plaid Cymru, have published our alternative Queen's Speech, containing nine Bills, all of which address the concerns of the people of Wales, and which we will put to the people of Wales as part of our offering for the forthcoming election. I do not want to detain the House unduly on this subject, as we are here to discuss the Queen's Speech, not the alternative Queen's Speech, but I shall read out some of the Bill titles in our alternative speech. There is a military well-being Bill, a care allowance Bill—I shall talk about that later when I come to care in the community—and a maximum wage Bill, which has been mentioned already. We also have

some proposals for the devolution of justice powers to Wales and a democracy Bill to introduce electoral reform, the single transferable vote, votes at 16 and various other matters. We have, too, a financial reform Bill, a green representatives Bill, an employment services in Wales Bill and a personal debt Bill.

Last week, when we presented the alternative Queen's Speech to the press, a BBC journalist—the faithful David Cornock—asked where was the St. David's day bank holiday Bill, which is a traditional part of our offering. If he is listening, may I now refer to it and say that we would like that as well—and have done with it?

We were disappointed by some partial omissions in the Queen's Speech. For example, we would have liked to hear proposals more directly related to employment and unemployment. I referred to an employment services in Wales Bill. We would like the services of Jobcentre Plus and the various associated initiatives to be devolved and beefed up. In some parts of the UK, the numbers of people seeking vacancies are very high. For example, in parts of Wales, 60 or 70 people are chasing each vacancy. However, in parts of south-east England, the numbers are two, three, five, six, seven, eight or nine. A very good case can be made, therefore, for beefing up Jobcentre Plus in Wales and working more effectively with the third sector.

When one looks at the distribution of unemployment, it becomes clear that, as ever, it is high in some inner cities and parts of the midlands and the north-east, and, as is traditionally the case, high in Wales. In fact, the unemployment rate in Wales jumped substantially last month, despite some of the actions taken by the Welsh Assembly Government.

There is a great deal that we can learn in this Chamber from what happens in Wales. We should look beyond the UK's borders as well, but there are certainly some initiatives in Wales that bear examination by this place. We have two schemes in Wales—the ProAct and ReAct schemes—that ensure that people are retained in employment or trained for employment in lean times. They are short-term measures, instituted by the Welsh Assembly Government, but have been highly successful in their own limited terms. We are talking about thousands of workers being retained in employment, not tens or hundreds of thousands, but there are points related to those schemes that could be examined in this place. Indeed, ProAct and ReAct have been praised by those in all parts of the House when they have been discussed.

That is what the Welsh Assembly Government have managed to do, safeguarding those jobs, but much more needs to be done to target resources at, for example, manufacturing and small and medium-sized enterprises, of which we have many in Wales. In fact, as in many places, small and medium-sized ente[illegible] the backbone of the Welsh economy. However, I wo[illegible]arentheses that private enterprise forms much too small a part of the Welsh economy. We have a large public sector, but without a doubt we could do with growing our private sector. There will be new jobs, as we have heard from those on the Treasury Bench. That is very much to be welcomed, but I would have hoped to see further direct steps taken on the training of workers, job creation and helping SMEs.

I had the unfortunate experience just the other day of discussing a small tourism enterprise in my constituency that was experiencing difficult times in winter, as tourism businesses always do. The owners have taken out a second mortgage, mortgaging their home to keep the business going. The bank provided the money, but demanded additional payments of £800 a week as a security because of the risk being undertaken. The owners are understandably experiencing great difficulties in finding that extra money in lean times. That example is a classic case of the bank giving an umbrella when it is fine and wanting it back when it is raining. There are far too many businesses in Wales and elsewhere suffering from such problems.

There are also measures on employment that we would have liked to see. I have spoken in the Chamber previously about the possibility of reducing VAT on labour-intensive industries. The Government might look at that later in the month or as we approach the election, but I would like to recommend it as a possibility that is now allowed for, following the most recent ECOFIN discussions. Other countries have taken that step and reduced VAT on, for example, building work for repairs and renovation, thereby injecting some money into labour-intensive industries, immediately giving the building industry a boost and getting repairs done on old buildings, of which we have many in Wales, including many pre-1919 buildings and bad houses.

Reducing VAT on repairs would be one way of getting those repairs done. However, not only would people be employed and the repairs get done, but it was apparently found in Italy that when the tax rate dropped to 5 per cent., 30,000 building companies appeared out of what is called the informal economy and started paying the rather more reasonable rate. The actual tax take went up, even though the tax rate went down. That does not always happen, of course, but the potential exists when one is looking at how to pay for such a step. We would very much have liked to see a reference to that course of action in the Queen's Speech and, given that Europe has been happy to recommend it as a way forward, it is possible that the Government will decide to take it up.

I want to turn briefly to a couple of other omissions from the Queen's Speech. For some time, my hon. Friend the Member for Meirionnydd Nant Conwy has been calling for a military well-being Bill to address a wide range of deficiencies in the treatment of our military personnel, such as the aftercare of those suffering from post-traumatic stress disorder. The Bill would also try to get to the root of why 10 per cent. of our jail population are ex-military: what is the root cause of that glaring problem, and what steps can we take to remedy it? There is clearly a chain of causality, and I know that my hon. Friend will take part in research on the matter very shortly.

Another matter about which my hon. Friend is keen—and I speak on his behalf now—is the lamentable state of service accommodation and housing, some of which is in very poor condition. Every week, the Prime Minister, the Leader of the Opposition and other hon. Members have to stand up and express their concern and sympathy for people who have so tragically lost family members in conflicts abroad. It is quite right that we in this place state clearly how much we appreciate the sacrifice that people make, but my party believes that certain concrete steps should be taken, and that the corollary of expressing public sympathy is to look at problems such as the treatment of post-traumatic stress disorder.

[Hywel Williams]

Before I conclude, I want to speak briefly about two matters that I have raised already, and the first is the potential for changing the law on child poverty. Clearly, that is a huge problem, although I am not convinced that we need a new law to enable us to reach the Government's targets of halving child poverty by 2010 and reducing it to 10 per cent. by 2020. However, I had a quick look at the figures for Wales before I came to the debate and I found that in 1997, when this Government came to power, there were 216,000 children in poverty, or 36 per cent. of the child population. Five years later, the figure was 210,000, or 35 per cent., four years after that it was 186,000, or 31 per cent., and two years after that it was 174,000, or 29 per cent.—but the point is that by June 2009 the figure for children in Wales defined as being in poverty had risen again to 192,000, or 32 per cent.

We are going very much in the wrong direction, with the proportion of children in poverty in Wales rising from a low of 29 per cent. to 32 per cent. That is tragic when one thinks of the lives of the children involved, and of the hard work that the Government have put in. They had very well meaning intentions to attack this dreadful problem and it is tragic that they are not succeeding. I hope that the Government will redouble their efforts to tackle this most wicked of social ills.

There are two areas that I would like to see addressed in the months running up to the election, and perhaps they could be the subject of election manifestos. The first matter is the reform of the tax credits system. At every surgery that I hold, I still get one, two, three or four cases in which people describe finding themselves in deep debt to the Revenue thanks to past over-payments. That is still going on, despite the reforms that the Government quite rightly have brought in. The problem needs to be looked at again.

The other area is child care. Child care is difficult to obtain in urban areas, but it is a total nightmare in rural areas. In my part of the world, it is very difficult to access the good-quality, affordable child care that means that people who want to return to work are able to. It is not impossible, but it is a total nightmare. The people who actually access child care tax credits are few and far between, and they tend to be the more able. There is a class difference. The people who most need child care tax credits seem to be the least likely to access them. I hope that point will be addressed.

Lastly, I refer to the proposals on care for the elderly and for disabled people—the personal care at home Bill. I note from the BBC's Bill by Bill briefing that the measure applies "to England only", so I hope that, as a Welshman, I will be allowed to say a few words, because the proposals are part of a much larger consideration of care services. A week last Thursday, we debated the Government's Green Paper, one of whose proposals is that attendance allowance and disability living allowance for people over 65 might be taken to finance enhanced care services for older people and people with a disability.

The Green Paper proposals are about care in England. However, I assume that the proposals about attendance allowance and DLA will apply equally to Wales, Scotland and Northern Ireland. When I asked the Secretary of State about that—a week last Thursday—he said there had been regional consultation with stakeholders and all kinds of users throughout England, because a large change was envisaged. When I asked him about consultation in Wales, he said there had been talks with Assembly officials. That is not good enough and I am sure that the Secretary of State felt embarrassed at having to say it. I hope he will quickly take steps to hold proper discussions with the Welsh Assembly Government and stakeholders in Wales, because at present it is unclear what "national" means in the national care plan that the Government propose. I think it means England. It is a perennial problem for people such as me.

Some years ago the Leader of the House was talking about an education measure and she kept saying "this country". Eventually, I intervened to ask her which country she meant. She had what is sometimes called an "Aha" moment and replied, "England", which was the point of my intervention.

To be serious, more and more people in Wales are beginning to realise that there may be changes in attendance allowance in the future, although not for the current recipients. People are worried about the future of attendance allowance and disability living allowance, so the sooner the Government clarify their intentions in respect of Wales, Scotland and Northern Ireland, as well as England, the better. I look forward to it.

9.28 pm

Barry Gardiner (Brent, North) (Lab): I have to admit that I have been known to fall asleep in the Chamber during the speeches of other Members in the past. That has not happened today, but I trust that I may be forgiven if I should fall asleep during my own speech this evening—after what is now seven hours in the Chamber without a break, I feel for the first time that it is quite likely.

We now know that it is Lord Strathclyde and not the right hon. Member for Witney (Mr. Cameron) who will be leading the Opposition charge in the next general election. Any piece of progressive legislation that the Labour Government introduce may be struck down by the noble Lord who has pronounced that it is

"too early to say which bills we will allow through."

How condescending! How outrageous that the Conservative party is so brazen as to flaunt the fact that it intends to use its inbuilt majority in the House of Peers to strike out the Government's programme.

What is in this programme that the right hon. Gentleman is reported in today's newspapers to have described as "divisive" and mere "pettiness"? I shall focus my remarks on two areas: health and education. I welcome the Government's proposals to guarantee that all treatment for any illness should begin within 18 weeks of GP referral. I fail to see what is either petty or divisive about that. I welcome the Government's proposals to guarantee that, if one's GP suspects that one has cancer, one will be entitled to see a cancer specialist within two weeks. I fail to see what is either petty or divisive about that. I also welcome the introduction of a right to a free health check every five years for those aged between 40 and 74. That is not petty or divisive; it is what most people regard as common sense. It is, in fact, the opposite of divisive: for the first time, it guarantees a quality of health care for the many that previously has been available only to the few who can afford to pay. Empowering people by giving them guaranteed rights is not about

division; it is about equality. It is no wonder, then, that the Conservative party—the party of Lord Strathclyde—wants to tear it down.

My constituents remember only too well the last time that the Conservatives were in government. Treatment within 18 weeks—some chance. Their target was 18 months and patients routinely waited much longer. Eighteen weeks was what the wait felt like if one was unlucky enough to have to visit an accident and emergency department under the Tories. Now, almost all patients at A and E are seen within four hours. The Conservatives had put the national health service into intensive care; it was this Labour Government who invested in it and turned it around. In 1997, 50 per cent. of all hospital buildings in this country were more than 100 years old. Today, more than 50 per cent. of hospital buildings have been built since 1997.

The NHS has gone from a poor service, where patients got what they were given, to a good service, where patients have rights and the service is structured to suit them. Targets were important to drive up standards; guarantees are important to lock in those reforms and to empower patients. As targets become rights, not just the patient but our society is healed and becomes more equal, less divisive. Her Majesty's Gracious Speech is right; Lord Strathclyde is wrong.

On education, today's headline in *The Daily Telegraph* was the most extraordinary mixture of outrage and incredulity. So what did it say? Merely this: "Children get legal right to a good education". That was it—that was the headline. How outrageous indeed—children having a right to a good education. What—all children, not just those of the rich who can pay for private education and enshrine that right in a legally binding contract? How preposterous! No wonder the newspaper condemns the Government's proposal as a "whingers' charter". No doubt it says the same about the contracts that parents sign with Eton and Harrow, Winchester and Ampleforth, Fettes and Gordonstoun—whingers' charters all.

So just how petty and divisive are the educational guarantees that Lord Strathclyde wants to strike down? I welcome the fact that all seven to 11-year-olds who fall behind are guaranteed to receive one-to-one tuition in English or maths. I fail to see what is petty or divisive about that. Perhaps the Opposition are not concerned if primary school children fall behind their classmates, but parents are. They want the Government to be just as concerned as they are, and they want Government action to help to sort it out.

I welcome the proposal to guarantee all five to 16-year-olds access to five hours of high-quality physical activity and sport every week. I fail to see how that is either petty or divisive. Children at private schools have always had that guarantee. Giving it to all children is about equality, not division. It is about doing something positive to address the growing problem of childhood obesity. I welcome the guarantee that every teenager should either be in education or in training at least until the age of 17 from 2013 and at least until the age of 18 from 2015. How is that petty, when that youngster's future prospects depend on the skills and qualifications that he or she secures before the age of 20? How is that petty, when our country's productivity and prosperity depend on our preparing our young people for the jobs that tomorrow's economy will require?

My constituents well remember the last time that the Conservatives controlled education, both in the country and in Brent. In 1995, the Audit Commission report for London said:

"Brent schools are simply the worst".

In those days, schools in my constituency regularly struggled to achieve even 40 per cent. A* to C grades at GCSE. Just one example is Wembley high technology college, which used to achieve only 32 per cent. This year, it achieved 92 per cent. A* to C grades at GCSE. I am hugely proud of it, and I pay tribute to its extraordinary head, Gill Bal, who was the runner-up this year as woman of the year in the leadership and diversity awards for her work improving the life chances of so many young people from so many varied backgrounds. There are other schools in my constituency that I could equally well name: St. Gregory's, whose awards ceremony I will attend tomorrow night; Claremont; Preston Manor; JFS; and Kingsbury high school—all of them with A* to C achievements in the 80 to 90 per cent. bracket. That is the transformation that has taken place in my constituency in education.

Perhaps the year that was most indicative of what things were like was 1996, when the Conservatives in Brent set the council's budget. They omitted entirely to put a single penny into special educational needs. It was a statutory responsibility, yet not one penny was allocated in their budget. My constituents know what is petty. No funding for the most disadvantaged children—that was petty. My constituents know what is divisive. No funding for disadvantaged children—that was petty and divisive, which is a precise description of what Conservative party policy on education was all about.

This Queen's Speech is right to talk about the need for action on climate change and to look forward to COP15 in Copenhagen next month. With a number of hon. Members, I had the privilege of attending the Globe Forum on climate change and energy in Copenhagen last month. There I chair the commission of Globe on land use and ecosystems, so it was with particular pleasure that I listened earlier this evening to the remarks of the right hon. Member for Penrith and The Border (David Maclean), who, as he informed the House, was speaking in his last Queen's Speech debate before leaving the Commons. He spoke of the need to preserve rainforests.

The proposals that will go forward from the Copenhagen conference next month are critical for tackling climate change through reduced emissions from deforestation and degradation. By 2020, if the world is to achieve a 450 parts per million trajectory, we must reduce annual emissions of CO_2 by 17 gigatonnes each year. That is 17 gigatonnes from business as usual, but only 5 gigatonnes can be achieved at a cost of less than €60 per tonne from the developed world.

The irony and injustice of that will be patent to everyone in the Chamber. What it means is that 12 gigatonnes of that abatement have to be achieved from the developing world, which did not create the problem in the first place. It is essential that the post-2012 settlement, when the Kyoto protocol comes to its conclusion, should include a process of reducing emissions from deforestation and degradation, but to date the REDD process that has been talked about by Governments is inadequate to the task. It offers a method for paying Governments to reduce their emissions, but that is like boarding a train without knowing the destination.

[Barry Gardiner]

Each country must be assumed to act in its own economic best interest. It will therefore seek to maximise the revenue that it can accrue from the minimum amount of emissions reductions over the longest period. That is what any rational economic agent would do. However, the world does not need the process of emissions reductions spun out over as long a period of possible. It needs early and dramatic reductions in emissions. That is why, in setting the framework for REDD at Copenhagen next month, it is absolutely essential that the argument be made to ensure that the REDD support package's financial weighting incentivises early and dramatic reductions and rewards a transition to a stabilised point of zero net emissions. Unless it is clear that the REDD process has that end point, we cannot hope to achieve the emissions reductions that are required to get the world on a 450 ppm track.

It is essential also that there be a stabilisation fund as part of the REDD negotiations—a fund that will show countries just why it is in their self-interest to arrive at a point of zero net emissions. Only if there is such a stabilisation fund will countries make the transition that is required to achieve the climate change results that the world hopes Copenhagen may bring.

The issue of Equitable Life has been before this Parliament and its predecessors for almost 10 years. Although it is right and proper that we discuss the things that the Queen's Speech contains, it is also important to mention the things that it has not addressed. It was interesting to hear an Opposition Member—I cannot now remember which hon. Gentleman it was—talk about the need to consider people who had been imprisoned and subsequently released, because they were found to be innocent, and the compensation that should be made available to them. The hon. Gentleman used the phrase that, tragically, many are now dying off before that compensation can be paid.

In Equitable Life, we do not have a few miscarriages of justice, with people suffering and not being in receipt of compensation before they die; we have literally tens of thousands of people, who have suffered because of poor regulation as well as the maladministration of that company, and to whom compensation is undoubtedly due. Unfortunately, many are dying before it is possible for them to receive that compensation, and it is a major failing of this Queen's Speech and of this Government that we have not moved far more swiftly to address the plight of those people. It is quite simply wrong for them to be struggling in their old age without the financial support that they believed they would receive and, indeed, had spent their lives saving for. Now, they find themselves in penury, and many are dying before they are able to get what they deserve.

In the minutes that remain to me, I want to bring to the House's attention the single most distasteful thing that I have experienced as the Member for Brent, North. Two days ago, I received an e-mail from a friend of mine, Panna Vekaria, who urged me to go on to a website and action a YouTube video, which was a promotional video for the Welsh British National party filmed in my constituency. It started with an image of Wembley football stadium. The camera was then driven through Wembley High street, focusing on people of African and of Indian descent, and on people whose dress would indicate that they were Muslim or Hindu. It then stopped outside the mosque on Ealing road and focused on the sign of the Muslim welfare centre that stands there. All the time, the presenter, an individual from the British National party, was saying, "Look at that. That's not what Britain should be, that's not what Britain is like, that's not what Britain should have been allowed to become." I found this the single most revolting and disturbing thing in my life as a constituency MP. I issue this challenge to the British National party: "Come back to Brent, North and dare to stand against me at the next general election. Dare to put what you said on film to the whole of the British public. Dare to put it to the people of Brent, North. You claimed that those individuals your camera focused on were not British—well, I refute that." Those people are British. They are proud to be British and proud to be part of this society.

I am proud to represent the most multicultural borough in this country and, indeed, in Europe. More than 160 different first languages are spoken in our borough and more than 130 different first languages are spoken in our schools. We are proud of that. We are proud of the fact that in every single one of the schools in Brent, North, by the time those children reach the time to go to secondary school, they are achieving above the national average at key stage 2. These children are our future. I defy the British National party to come to Brent, North to stand at the next election. Of course, the BNP believes that these people are not even entitled to vote, but they are: they are here; they are British citizens. It is absolutely essential that the Queen's Speech that we will vote on in a few days' time includes an equality Bill. At the core of what we do in this place must be equality; it must form the essential heart of British public life and British politics.

When I spoke to a woman in my constituency who is second generation—her parents came from east Africa in the 1970s but the family was originally from India—she told me about a discussion that her family had had over the dinner table about the appearance on "Question Time" of the representative from the British National party. She told me how she and her husband tried to explain to their children that it was important that there should be free speech. They had been intellectualising how important it was that, in a democracy, people should, without fear, be able to express their views and state them clearly, and how important it was that other people should be able to argue with them rationally and defeat them in a rational debate.

However, what impressed me most was that her daughter, who was born here and who has been a British citizen her entire life, simply asked, "Why should they be allowed to go on television and question the fact that I am British?" All the intellectualising and all the fine words about freedom of speech and the importance of debate, were knocked to one side by that young girl and her sense of outrage that a fellow member of her own society and her own country could question her right to be what she was, and question what she was.

The British National party has, I believe, no basis in this society. It has defiled my constituency by coming into it in the way it did. I issue once again the challenge to the BNP: come—put up or shut up—but do not dare to speak about my constituents as you did on YouTube.

It is a privilege always to address the House. The last speaker following seven hours can speak at greater length than otherwise, and I am grateful for the opportunity that being last in the debate today has given me. I thank you, Mr. Speaker, and the House, for it.

Ordered, That the debate be now adjourned.—*(David Wright.)*

Debate to be resumed tomorrow.

Nurse Training

Motion made, and Question proposed, That this House do now adjourn.—*(David Wright.)*

9.58 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I am delighted to have secured this extremely timely debate. As a constituency MP, I am contacted by constituents who are dissatisfied with the service that they or their families receive in hospital, and the question of nurses' training often arises. Therefore, following the announcement that from 2013, entry to nursing will be at degree level, this is a good opportunity to highlight those concerns.

I want to make it clear that I do not agree with some of the more politically motivated criticisms of the Government's plans. I fully recognise the great strides made by our Government in restoring the NHS to full health. Since 1997, we have seen record spending on health, reversing years of Tory underinvestment. We need not take any lessons from the right about how to run our NHS. Our NHS has been not a 60-year mistake, but a 60-year success and triumph.

I also acknowledge that some critics of the Government's plans seem to be motivated by sexism. My hon. Friend the Under-Secretary of State for Health is concerned about that. The chief nursing officer for NHS England, Dame Christine Beasley, said:

"There is still an issue that because nursing has some of those feminine caring skills, people think anyone can do it. It's a very sad reflection of a male dominated media".

I oppose any criticism of the Government's plans that is based on sexism. My mother was a nurse in the first generation of NHS-trained nurses in 1948. Anyone who knows my family knows that it would take a very brave person to belittle in any way the role of women.

I also want to make it clear that I do not raise this issue out of any impulse to attack the Government. Loyalty to the Labour party is another trait that is in my genes. In 12 years I have never voted against the Government, and have no intention of doing so.

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(David Wright.)*

Siobhain McDonagh: However, I do think that it is the role of constituency MPs to inform the Government of grass roots feelings in order to enable Ministers to make the best decisions. Since 1997, the status and pay of nurses has risen, and thousands more nurses have been employed. This has gone hand in hand with a massive growth in health spending. When I think back to the 1990s under the Tories, when patients died on trolleys in corridors at my local hospital because there were not enough beds, I know how good it is that today's debate is about how to give people the best possible care, rather than about whether we can give them any care at all. Nobody has to wait 18 months for an operation. But with such massive investment also comes great responsibility. Particularly in times like these, it is vital that we get as much as we can out of the public purse.

Residents in parts of my constituency have a life expectancy eight years lower than those in neighbouring constituencies. More babies are born with low birth

[Siobhain McDonagh]

weights there, and morbidity is high. Life for many people is hard. Given the chaotic lives of some of my constituents, the care that they receive from nurses can make a vital difference to their life expectancy. That is why any changes in the way that nurses are recruited and trained cause such anxiety. Nursing is not just a medical job. It involves interpersonal, communication and care skills. However, despite all the investment in training in recent years, the complaints that I receive are rarely about nurses' top-end medical skills. They are nearly always about care.

Sadly, one of my most supportive Labour party activists, Alf Jones, died last year. He was a popular man with my stuffers—a group of older Labour party members who help me fill envelopes and fold newsletters. After visits to see him on Barrington Brooke ward at St. Helier hospital, the stuffers complained repeatedly to me about the care standards that they saw there. They described an elderly man left at night with faeces on his nightshirt for everyone on the ward to see; patients not washed; full urine bottles left lying around; dirt on the beds, stairs and landings; patients ignored despite screaming and crying; a lack of privacy; the frequent loss of false teeth; and patients who could not walk being expected to use a zimmer frame.

The stuffers were so shocked that they asked me to arrange a meeting with the hospital's chief executive, which I did. As a result, a member of staff was removed, and increased training and supervision was given to the ward team. The stuffers are now regularly invited on to the ward to see for themselves that standards are being maintained.

Mr. A is another Labour party stalwart, who has devoted most of his life to the care of vulnerable people. Now in his 80s, he was admitted to St. Helier with an infection. While in accident and emergency he became incontinent and was mortified that he was not given the appropriate privacy. Then, when he was admitted, he had nightly battles with his nurse. Every night she would want to take off his cardigan, which kept him warm, and his hearing aid, but without his earpiece he suffered from unbearable tinnitus. He became so scared of the nurse that he asked to leave.

Mrs. H contacted me about her 92-year old mother. While she was in St. Helier, they would not let her go to the toilet, even though she could walk a little, and could manage fine once she had been wheeled to the door. She was forced either to go in her bed, or be put up in a hoist and dangled over a bedpan, with two members of staff standing by to cheer her on, shouting, "Come on, push!" or, "Clever girl." While she was in accident and emergency, one nurse inserted a cannula so badly that her wrists and arms were covered with bruises. Mrs. H also said that while she was visiting another ward she spotted a golf ball-sized piece of faeces. Despite pointing this out to staff at Sunday lunchtime, she noticed that it was still there on Monday evening. Apparently, it was finally cleared at 11am on Tuesday.

Mrs. H wrote a very moving letter to me. She said:

"Maybe the 'walk a mile in my shoes' philosophy should be drummed into all medical students at the beginning of their training, and underlined throughout to prevent this very sad downward trend in care".

She continued:

"Today it is 3 years in University, and once qualified they are let loose on the wards, and if the computer cannot tell the nurses what to do it is not done. Today we seem to have nursing by machine. Machines cannot talk to patients; patients cannot talk to the machines. The intermediary has to be the nursing staff, and....the nursing staff were sadly lacking in their experience with coping with older people."

In August the Patients Association published its report "Patients not Numbers, People not Statistics", which detailed a further 16 cases of neglect and poor care, including catheter bags not being changed, cold patients in wet beds who had been forced to wet their beds because they had not been taken to the toilet, and elderly, confused patients being shouted at by staff. The association's president, Claire Rayner, is well known as a nurse. She describes herself as being

"from a generation of nurses who were trained at the bedside and in whom the core values of nursing were deeply inculcated."

She laments any reduction in those values. Although the association admits that only 2 per cent. of patients rated their care as poor, it points out that that represents more than 1 million cases of what Ms Rayner calls the

"dreadful, neglectful, demeaning, painful and sometimes downright cruel treatment"

that some elderly people have experienced.

The problem is well articulated in the report by Julie Bailey, whose mother Bella had an appalling experience. She said:

"When we complained about all this to the Trust they told us that they had a new initiative that would provide guidance on standards of care regarding communication, nutrition, privacy, dignity and record keeping. Surely after three years of training, nurses should be aware of these basic needs and how to set their own standards?"

My constituents want more rolling up of sleeves and delivering of common-sense caring. This was brought home to me by another Mrs. H and her daughter, who happens to be a practising nurse. They came to see me about Mrs. H's mother, who was a patient at St. George's hospital. They had found her mother in soiled clothing, with other night clothing covered in faeces hidden away in her locker. She was in dirty and unhygienic conditions, and it was clear that she was being neglected. Her colostomy bag was not changed when required, and documentation about her fluid and food intake was not kept up to date. When Mrs. H and her daughter complained to the ward sister, they found that a nurse had tried to alter the drug chart. On another occasion, a nurse confronted Mrs. H and her daughter, addressing her in south London terms as "Girlfriend", which I do not think any of us would regard as acceptable.

Mrs. H wrote to me to say:

"I have concerns about the organisation of the staff...and the lack of care and skills with patients. Staff should not have to be retrained in how to record notes, how to speak to patients and their relatives. Staff should have that knowledge already."

Mrs. H did have one good thing to say, however. She said:

"There was one genuinely friendly person on that ward. She was a nursing assistant called Sharon who always took the time to speak to the patients and their relatives. I feel that it doesn't take much to show humanity."

That is the crux of people's concerns about the Government's proposals. They want nurses who speak to them and who show humanity. They do not want

compassion and humanity to come second to classroom-based teaching, and they do not want anyone who has those qualities to be put off the nursing profession.

In an article in "Spiked Online", the head of engagement and patient involvement, a sessional nurse in NHS London, Brid Hehir, argues that

"the most fundamental aspect of nursing—caring—has been degraded and devalued. Bedside care has been devolved to health care assistants. It's as if bedside care is no longer the remit of nurses."

She accepts that in previous decades nursing was undervalued, but she is not convinced that the solution is more academic training. She goes on to say:

"Prior to 1992...nurses spent only a quarter of their training in the classroom and three quarters on the wards...They are now expected to learn through supervised participation—observing but not participating."

As a result,

"many nurses qualify with nothing like enough skills, knowledge, clinical and practical experience."

She goes on:

"The problem can only get worse if university-based training becomes the norm because the emphasis will shift further to theoretical aspects of caring as opposed to its practical application."

This relates closely to the concerns of my constituents.

The person who bathes a patient needs to have enough medical knowledge to spot physiological problems. For instance, a nurse might find that a patient is gaining or losing weight. They might find dry skin, which is a sign of dehydration. They might find bed sores, or other wounds such as bruising. Of course, a porter or a health care assistant could just as easily bathe a patient, but would they have the medical understanding to appreciate what these signs mean?

Even nurses themselves are divided. On the *Nursing Times* website, there are more than 100 readers' comments about the article entitled "All new nurses must have degrees". Most think that the degrees will not improve the profession. It is true that some believe that this will raise standards and that if a few would-be nurses do not qualify, so be it. However, I have to say that that is not a sentiment that I—or, it seems, most *Nursing Times* readers—share. My mother was not a graduate, but she was an excellent and conscientious nurse, able to care and read someone's medical records.

As one nurse in a similar position says:

"I don't think I am capable of degree-level learning on any course...I simply don't learn effectively by writing thousands of essays. If this decision was made a year ago, I would not be able to gain a nursing qualification."

Another says:

"I work with nurses who have two degrees but do not even know what is normal body temperature. They have excellent computer skills but lack oral communication skills or simple people skills."

Another complains:

"Obviously, the people with influence don't read any of the comments on here by 'real' nurses, otherwise I doubt they would go ahead with the plans for degrees only nurses. Most of us have said that fundamental basic skills that underpin nurses are 'hands on' and need to be learned at the bedside, not in the classroom."

I hope this reassures her that some people do read her comments. I am not sure whether I am a person "with influence", but I hope that this helps.

Another nurse says:

"I studied for 2 years at Diploma...and then transferred to Degree. This lowered my bursary considerably and upped my academic responsibilities. No change in my ward responsibilities...The stress of this extra workload nearly made me, and several colleagues, give the course up. I made my choice to transfer to degree as I was led to believe promotion was more likely with it. However, this does not seem to be the case in practice."

I think we need to be careful about nurses becoming disillusioned.

That comment brings me to the high risk of drop-out rates. According to today's *Times*:

"More than half of students on some nursing degree courses do not graduate because of the pressures of time, money and the academic standards demanded."

Although I do not get cases of students dropping out of college very often, most of the cases I deal with are students of nursing. Many colleges seem extremely tough; some students with legitimate personal troubles that have prevented them from doing well in exams are excluded because colleges will not take those troubles into account. Indeed, many who drop out do not have English as their first language, so perhaps the colleges have their own problems with communication and care, which need addressing.

Meanwhile, of those who do pass—although I do not think that we should take too many lessons in caring from the *Daily Mail*—the former nurse Rona Johnson writes in it that

"many nurses, armed with their new qualifications, will regard the basics of care as demeaning... Those who have spent three years at university and run up heavy debts will not take kindly to emptying bed pans or changing bed linen."

She sums up the fears of many of my constituents in the expression "too posh to wash". Of course, this is a simplistic expression, based on prejudice as much as fact, but the Government have a lot to do if they are to convince my constituents that we will not end up with a generation of nurses who are great at medical strategy, but no good at rolling up their sleeves.

For instance, a survey in the *Nursing Times* uncovered nurses who were

"rejecting essential elements of bedside care because they feel it is not a worthwhile learning experience."

The magazine says that one student told a staff nurse:

"I keep being asked to do things which won't help me learn—clear up poo, mop up blood, give patients tea and toast... I don't do those sort of things now."

Thankfully, most *Nursing Times* readers reject that view, but the way we train nurses should not encourage it.

I hope that my hon. Friend the Minister will view this debate as a positive contribution to how to improve the quality of care for our patients. I have not come here to attack the profession or to perpetuate a sexist portrayal of "angels". Nor have I come to be disloyal or disrespectful to a Government who have always aimed to do the best for our constituents. What I want is for nursing to be one of the country's top vocations and for nurses to be trained in full. As Brid Hehir says:

"Caring for sick people is a privilege and nurses need to be competent in providing it. When they are, their status will automatically improve."

My constituents will say amen to that.

10.14 pm

The Minister of State, Department of Health (Phil Hope): I congratulate my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on raising, as she put it, a timely and important issue, and thank her for doing so. She has spoken with characteristic passion for justice and equality, providing many examples this evening of circumstances where her constituents have not had a satisfactory experience in their hospitals, and my hon. Friend has taken up those cases—again, with her customary strength and commitment—with the local health service. She described cases that were, as she put it simply unacceptable—and I entirely agree with her. She is right to challenge such examples wherever and whenever they occur, and she is also right to emphasise the importance of training and the enduring values of nursing. I am pleased to have this opportunity of addressing directly the concerns that she has raised.

Nurses represent the largest staff group in the NHS. They work in a more diverse range of roles and settings than ever before. They are pivotal to the delivery of high-quality, safe care. There is hardly an intervention, treatment or health care programme in which they do not play a significant part.

As we all know, the environment in which all our health care professionals work, including our nurses, is changing. Society, the structures within which health care is provided and, indeed, health care delivery itself are changing. Some types of care that are currently provided in hospitals will be provided in the home or in communities. Technology is becoming more advanced; people are living longer, and therefore health needs are often more complex; and people's expectations are changing and growing. We have come a long way since the stereotypical days, if they ever really existed—my hon. Friend referred to them—when a nurse was expected simply to mop the fevered brow or provide a sympathetic ear. Nursing today requires an intricate interplay between fundamental care and high-level technical competence, biomedical knowledge, decision-making skills, and the ability to develop therapeutic relationships based on compassion as well as holistic and intelligent care.

It is in that context that we must examine the way in which we educate our new nurses, to ensure that they are equipped to deliver high-quality care now and in the future. No profession stands still, and nursing is no different. It has always adapted and responded to new demands. I think it right, in that context, that the Nursing and Midwifery Council has reviewed nurse education, and last week the Department of Health announced our timetable for implementing the resulting changes. It is in accordance with the recommendations of the council, the body that represents nurses, and it involves ensuring that by 2013 all nursing programmes are degree-level and meet the new knowledge, skills and assessment standards being developed by the council. Universities, working with health care employers, will need to revise their curriculums so that those standards, delivered at degree level, provide new nurses with the skills and knowledge that they need in the transformed NHS.

I want to use this opportunity to dispel a few myths—I think that my hon. Friend used the word "prejudices"—that have been bandied about in the last few days, many of which detract from the hard work, skills and dedication of nurses past, present and future. Nursing is not the younger, less intelligent sister of medicine but a profession in its own right, with its own body of knowledge, its own evidence base and its own principles and values. Our nurses will always need to be compassionate and to care. They will still need to undertake care tasks that are an essential part of their role. That will not change with degree-level education. I can reassure my hon. Friend that students will still spend 50 per cent. of their time on the wards. Those students will be in the community working with patients and their families, learning on the job and being mentored by registered, practising nurses.

No profession has a monopoly on caring, but we should not be defensive about the fact that caring alone, vital as it is, is not enough to make a good nurse. Our nurses will still need to have the values—treating people with dignity, having empathy and demonstrating compassion—that we expect of a nurse. That is why we are working with the university sector and the national health service to strengthen the way in which we recruit our nursing students, the NHS's future lifeblood.

All nurses will still be trained to undertake the essential nursing activities that underpin good patient care and promote health. Keeping patients clean and comfortable, and ensuring they are fed and have enough to drink, will still be an essential part of the nursing role. I hope I have given my hon. Friend and her constituents sufficient assurance that such tasks will be a key element of the work of nurses of our national health service.

However, nurses will also be educated to complete a detailed assessment and analysis of people's health care needs, be they physical, mental or social, and to diagnose, refer, prescribe care or, indeed, intervene themselves as appropriate. Many of our nurses already do this. All nurses continually develop their practice, and many operate well above the level of their original qualifications while still providing the basics of care.

It is worth remembering that more than 30 per cent. of our nurses have degrees already, and we should recognise their significant contribution. Many have obtained them as part-time students, often while working full time over a number of years. Nurses often say that they did not realise the positive impact having a degree would have on their nursing practice, and how much they have improved services for patients as a result. Therefore, the move to degree-level education is in some regards a recognition of the fact that many nurses already operate at this level, and of their professional contribution and status.

Some critics have rightly identified that making nursing degree-level will present a challenge to those who do not have traditional academic qualifications or cannot afford to do degrees. The Department starts from the position that nurses must receive the right education, of both content and level, to equip them to provide high-quality care. We must only recruit those who have the ambition and talent to become excellent nurses. With this principle in mind, we must also ensure that we support and promote wide access to degree places for those who may come late to nursing, for those who may need a bit of extra support and for those who have already developed health care-related skills and knowledge in the workplace, such as health care support workers. Therefore, we are building on good existing practice at national level, and developing with the further and higher education sectors and employers new access routes through, for example, apprenticeships, national

vocational qualifications and foundation degrees. In addition, the NMC is looking to increase the amount of previous academic and practice learning that can be recognised from the current one third maximum up to one half, and hence shorten a programme. That will provide more opportunities for those with relevant, valid experience without their having to go back to square one. We are also tackling the student support arrangements, to make sure that they are fair and do not present any barrier to people who wish to train in nursing or the other health care professions. To support the changes I have outlined, we are also putting in place action to promote nursing as a career. We must attract more nursing applications from people who will make the best nurses and stay in the profession.

We have also published a preceptorship framework to help ensure that our newly qualified nurses have protected time and expert support to help quickly develop the confidence to make the transition to effective practitioner. We have provided the service with an extra £20 million to support preceptorship provision.

In addition, we have published a framework for post-registration nursing careers, mapped against patient pathways, to support a more flexible and competent workforce and equip nurses with the skills and capabilities they require for the future. The framework can be used to demonstrate the wide range of career opportunities in nursing and support the promotion of nursing careers. Together, these developments provide the right direction of travel if we are to fulfil our ambition to provide higher quality care for all. I want to ensure that the intended benefits of changes to pre-registration nurse education are fully realised. Our patients and the public deserve nothing less. Therefore, officials in the Department are working with the national health service, the trade unions, universities, strategic health authorities and the regulator to develop a national implementation plan. All of this links to a wider vision for the profession and for what needs to be done collectively to carry it forward into the future.

Since the launch of the Prime Minister's commission on the future of nursing and midwifery in England, the Department has been engaging with, and listening to, the public, nurses, midwives and professionals. We asked what people wanted from the nurses and midwives of the future, what skills and competencies they should have and what barriers they may face. We have received an overwhelming response—there have been more than 2,500 individual and organisational responses. The commission has reflected on the responses and developed a vision for the future, identifying some hot topics areas where it wanted further debate to take place. Since the beginning of October we have been debating this vision statement and listening to people's views in response to the hot topics at a series of events across the country and via a range of channels to ensure that the final result resonates with nurses, midwives and other health workers, as well as with the public.

Our vision of nursing and midwifery set out the future that the commission wants to see. Our ultimate goal is that all nursing and midwifery staff fulfil their potential to help service users, families and communities to achieve the best possible health and well-being. We also foresee a future in which nurses and midwives will take centre stage in all aspects of health care and in which nursing and midwifery practice will continue to be rooted in compassion and dignity. Among the hot topic debates, we have been debating how to ensure that the transition to degree-level registration is successfully implemented to enable the nurses of the future to deliver the care that patients want and deserve. The commission will include that important issue in detail in its report.

We value our existing nurses for their contribution now and in the future. We require them to undertake continuing professional development, and we know that many of them have the skills and knowledge to work above the level of their original qualification. We must also recruit nursing students who have the ambition and talent to be excellent nurses. We must maintain a wide access to education programmes for those who may have traditional qualifications and have come to nursing late. I believe we owe that to not only the nurses, but the patients and their families who rely on our national health service to deliver the excellent quality of care that we require for ourselves and for the whole community.

Question put and agreed to.

10.27 pm

House adjourned.

House of Commons

Thursday 19 November 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Business of the House

10.33 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): Mr. Speaker, yesterday you informed the House of the subjects for debate on the Queen's Speech.

The business for next week is as follows:

MONDAY 23 NOVEMBER—Continuation of the debate on the Queen's Speech. The subjects for debate, as you announced, Mr. Speaker, will be Foreign and Commonwealth Office and Defence.

TUESDAY 24 NOVEMBER—Continuation of the debate on the Queen's Speech. Energy and Climate Change and Environment, Food and Rural Affairs will be debated.

WEDNESDAY 25 NOVEMBER—Continuation of the debate on the Queen's Speech. Home Office and Work and Pensions will be debated.

THURSDAY 26 NOVEMBER—Conclusion of the debate on the Queen's Speech. Her Majesty's Treasury and Business, Innovation and Skills will be debated.

FRIDAY 27 NOVEMBER— The House will not be sitting.

The provisional business for the week commencing 30 November will include:

MONDAY 30 NOVEMBER—Second Reading of the Financial Services Bill.

TUESDAY 1 DECEMBER—Motion to approve a European document relating to financial services, followed by a general debate on fisheries.

WEDNESDAY 2 DECEMBER—Remaining stages of the Equality Bill.

THURSDAY 3 DECEMBER—A general debate on European affairs.

I should like to inform the House that the business in Westminster Hall for 3 December will be:

THURSDAY 3 DECEMBER—A debate on the 31st Annual House of Commons Commission Report.

Finally, Mr. Speaker, it may also be helpful to the House to be reminded that my right hon. Friend the Chancellor of the Exchequer has announced that he proposes to present the pre-Budget Report on Wednesday 9 December.

Sir George Young: I am grateful to the Leader of the House for giving us the forthcoming business. May I congratulate her on being crowned parliamentarian of the year by *The Spectator* last week? To the extent that we at business questions are the flint she sparks off, we share in her reflected glory. May we assume that she is now a subscriber to that publication?

May we have a statement on the prospects for the Bills in the Queen's Speech? On Monday, the right hon. and learned Lady claimed that the majority of the Bills in the Queen's Speech would become law before the next election. We have an absolute maximum of 70 sitting days before Dissolution, and we need to set aside time for debates on the pre-Budget report, as well as ensuring that we have time to discuss other issues, such as Afghanistan. Given all that, does the right hon. and learned Lady still stand by her original claim, or will she admit that there may be difficulties in fulfilling the Government's commitments? Given the limited time we have left, recess dates have an added significance, so is the right hon. and learned Lady still encountering problems in coming up with a date for the Easter recess?

On Kelly, the Government are mired in confusion, with different Ministers saying different things. On the radio this morning, the Leader of the House said that all the proposals would be implemented before the general election, but that will not happen unless we move quickly, so can she confirm that if we table the amendments to the Constitutional Reform and Governance Bill necessary to implement Kelly in full, we shall have the Government's support?

On the Independent Parliamentary Standards Authority, can the right hon. and learned Lady tell us when she intends to table the motion on the appointment of Professor Sir Ian Kennedy? At the last business questions, on 5 November, I was told that it would be done "within a few days". Since then, we have heard nothing. The Government's handling of the issue is beginning to look dysfunctional. Why has the timetable been allowed to slip?

Can the right hon. and learned Lady give an indication of when the House will get a chance to debate and vote on the imminent report from the Committee on Reform of the House of Commons? Can she say whether she will be making a statement on the day that report is published?

Can the Leader of the House make time for a debate on Afghanistan? It is important that the House continues to be given time to discuss our commitment, and to probe the Government's strategy. Last week, newspaper reports suggested that the Government would be investing in new Chinook helicopters and that an announcement would be made before the pre-Budget report. Can the right hon. and learned Lady provide any further details about the plans of the Ministry of Defence?

Finally, can the Leader of the House tell us why there will be no comprehensive spending review this autumn? Everyone knows that departmental spending has to be reduced by 10 per cent. according to the Government's own reckoning, yet on Tuesday it emerged that the Secretary of State for Children, Schools and Families had made an unsolicited demand for an extra £2.6 billion for his Department's budget, forcing the Chancellor to admit that he was not undertaking a spending review at all. The Government have just published a Bill promising to halve the deficit, but is it not clear that the Chancellor has lost control over his colleagues' spending habits, and is the abandonment of a spending review not further evidence that the Government are putting their own interests above those of the country?

Ms Harman: I thank the right hon. Gentleman for his generous comments on my receiving the parliamentarian of the year award from *The Spectator*. I have to confess that it was a great surprise to me. Over the years, *The Spectator* has called me many things but they have not approximated to parliamentarian of the year. I am not actually going to subscribe to the publication, but I shall offer some of its columnists a course at my institute for political correctness, which some of them could probably do with.

As far as the legislative programme is concerned, the House knows that it is the Government's responsibility to bring before the House the laws that we think are necessary. We have introduced proposals for laws to deal with the financial situation facing the country, and to improve public services. It is the responsibility of the House to scrutinise those proposals. Obviously, given the forthcoming general election, some Bills may well receive full consideration in one House but only a Second Reading in the other, and so might go into what is described as the wash-up; they will then have to be the subject of negotiation between the parties, instead of receiving the full scrutiny of the Houses. That situation obtains before every general election. It would certainly not be right to step back from our responsibilities of government; we have to introduce a legislative programme and put before the House laws that we believe are in the interests of this country. The Easter recess will be announced in due course in the usual way.

On the Kelly situation, I want to reassure the House and the right hon. Gentleman, and ensure that the public are reassured, that we all remain determined to address the problems around allowances. We recognise the public anger and concern that the allowance system was misused, which is why we legislated in the summer to put the whole system on an independent footing, so that never again will the House set or administer its own allowance system. We invited Sir Christopher Kelly to investigate and make proposals for a new framework for allowances, and I pay tribute to him for the work that he has done.

I should like to reinforce what I said on 4 November: we, and all parties, accept Sir Christopher Kelly's report and look to the Independent Parliamentary Standards Authority to implement it. I did say at the time that there were further issues that it might fall to the House to deal with; they include the issue of additional lay members on the Standards and Privileges Committee, common auditing arrangements between the independent parliamentary standards commissioner and the House, and restricting the chair of IPSA to serving for one five-year term. We can, incidentally, do the latter by resolution of the House, when we confirm—as I hope that we will—the chair's appointment. When the House deals with the motion appointing the chair, it might be a good opportunity to deal with the other four members of IPSA.

As I say, by means of a resolution of the House we can, without legislation, make sure that the post is held for one term only, as Sir Christopher Kelly proposes. He himself says that legislation on the issue of the dual mandate should be a matter for the next Parliament. If there are any other issues that hon. Members feel cannot be dealt with by the House through a resolution, or by the existing powers of IPSA, I will be happy to discuss them, as I said on 4 November. However, I do not want anybody to convey to the public the idea that we are all on the back foot on the issue—that we have gone soft on it and have swept it back under the carpet. The public would not accept that, and neither would we. We will make sure that the reforms are all carried through.

I am grateful to the Wright Committee on Reform of the House of Commons, which was established by a resolution of the House. Its members have been hard at work, and I look forward to its report next Tuesday. We will all want an opportunity to consider its recommendations, which will represent important opportunities to strengthen the role of the House, and we will need to ensure an opportunity for the House to debate, and act on, that report.

Issues relating to Afghanistan are bound to be raised on Monday, when the Secretary of State for Defence and the Foreign Secretary speak in the Queen's Speech debate. As the matter was raised the last time that we had business questions, I know that there is a concern that there should be a specific, discrete debate on Afghanistan, and I will keep that matter very much under review. As for Secretaries of State making unsolicited demands of the Treasury for extra money, the right hon. Gentleman knows only too well that that is absolutely par for the course.

Mr. David Heath (Somerton and Frome) (LD): Enthusiasm for the fantasy Queen's Speech is obviously shared by Members from the right hon. and learned Lady's party, who are here in such great numbers today. The reality is that, whatever she says about the wash-up—and I understand how the term applies in this instance—almost all these measures will not make it through their parliamentary stages. Those that do will be abracadabra Bills: measures that—shazam!—at a stroke halve the fiscal deficit; and—shazam!—at a stroke abolish poverty throughout the world. That is fantasy politics, and we recognise it as such.

Meanwhile, in the real world, we still have Afghanistan. I hear the Lord Privy Seal say that she is considering a debate, but we need a debate in this House on Afghanistan, and on the political as well as the military aspects of the situation. I see that the week after next, we are to have a debate about fisheries, which is an important subject, but not as important to this country as what is happening in Afghanistan, so will she look again at that programme?

I listened to what the right hon. and learned Lady said about Kelly, but I still believe that there is a need for statutory changes. Will she meet the right hon. Member for North-West Hampshire (Sir George Young) and me, so that we can discuss what needs to be introduced? Can she assure me that she will not use the Constitutional Reform and Governance Bill as a vehicle for those changes; or, if she does, that she will extend the period of scrutiny to enable it to be done properly?

The proposed health Bill is proving to be one of the more controversial aspects of the Queen's Speech. A senior Labour figure in another place called it a "pernicious myth", and Lord Warner, who was a Health Minister until recently, said:

> "There's a big question mark as to whether there's even actually a Bill ready".

Will the Lord Privy Seal confirm that a Bill is ready by publishing it on Monday? Many Bills are published today, so can the health Bill be published on Monday to scotch straight away the rumour that a Bill is not even ready?

Will the right hon. and learned Lady tell me what has happened to the agency workers Bill that was mentioned in the Queen's Speech? Will she also confirm that, when she read out the business for the following week, she misspoke when she mentioned the Equality Bill, and meant to say, "the first day of the remaining stages of the Equality Bill"? She has given many assurances to my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) that that Bill will be given sufficient time on the Floor of the House.

Finally, the Government list has, as usual, been published, but it omits the assistant Regional Ministers. Many of us are very vague about what exactly assistant Regional Ministers might be for, and about their role; but I am indebted to the hon. Member for South Staffordshire (Sir Patrick Cormack), who last Thursday raised the fact that the assistant Minister for Yorkshire and the Humber asked a question of the Minister for Yorkshire and the Humber about the work of the Department for Business, Innovation and Skills in the region. We have a situation in which one Minister asks another about matters that are their ministerial responsibility. Is that proper parliamentary scrutiny?

Ms Harman: The hon. Gentleman makes a mistake when he describes the legislation that we introduced in the Queen's Speech as "fantasy politics" and "abracadabra Bills". The Crime and Security Bill, which gives the police more powers to deal with gangs, is necessary, and I hope that he and his hon. Friends will support it. The Energy Bill and the Flood and Water Management Bill, which has already received extensive scrutiny, are not [illegible]abra Bills; they are necessary Bills, as are the Equality Bill and the Financial Services Bill. Hon. Members need to be clear: are they saying that all those Bills, which will tackle the problems of the economy and improve public services, are not necessary? We believe that the economy needs to be stabilised and that there needs to be further improvement in public services. Legislation is not the be-all and end-all, but it is an important part of the story.

I acknowledge the hon. Gentleman's point about the need for extra, focused debating time on Afghanistan, and I shall keep that under close review. He suggests that that debate should take place instead of the fisheries debate, but the fisheries debate is a regular event, and hon. Members whose constituencies very much depend on the fishing industry would take it amiss if we suddenly pulled the plug on the fisheries debate. However, I do recognise his point about Afghanistan.

In response to the hon. Gentleman's question about what does, or does not, need legislation for the future, in order that we do what we all agree we should do, which is to take forward the Kelly proposals, of course I am happy for him and the shadow Leader of the House to come and see me to talk these issues through. I will give the hon. Gentleman one example of where Sir Christopher Kelly thought that a statute would be necessary—the prohibition on employing family members. The Independent Parliamentary Standards Authority does not need to have a legal right to bar the employment of family members, because MPs can employ whoever they want to employ, but it can say, "We will not reimburse—pay out of public funds—anybody who is a member of that MP's family." By imposing a condition, it can ensure that it effects and implements that part of Sir Christopher Kelly's report. Additional legislation is not needed, because the legislation that we passed in the House to set up IPSA gives it the power to lay down conditions on how it pays out allowances. I am more than happy for the hon. Gentleman to come and see me to go through the list of things that are ancillary to the main structure of allowances that Sir Christopher Kelly proposed. I know that Sir Christopher has already met up with IPSA's chair designate, and they are at work on implementing the whole Kelly framework and package on allowances.

We have not yet introduced the personal care at home Bill, but it is ready. The Bills that we are presenting to the Commons today are the Crime and Security Bill, the Financial Services Bill, the Energy Bill, the Children, Schools and Families Bill, and the Flood and Water Management Bill; and we have the existing carry-over Bills—the Constitutional Reform and Governance Bill, the Equality Bill, and the Child Poverty Bill. All the things that have been said about the personal care at home Bill were said about the national health service. People have said that it cannot be done; we said, yes, it can be done, and it is necessary. Just as we set up the national health service, so we need to pave the way for a national care service for the growing number of elderly people in this country.

Mr. Tom Watson (West Bromwich, East) (Lab): The announcement that Ordnance Survey's mapping data will be available free to the many thousands of digital industries and community groups in Britain is very welcome. However, there is much more public sector information sitting around in departmental hard drives, such as Land Registry data and transport times. May we have a debate on how public sector information can increase the UK economy's productivity and support community groups?

Ms Harman: My hon. Friend may well look for an opportunity to raise that subject in the Queen's Speech debate on Thursday when we discuss the economy and business. He is absolutely right. Putting in the public domain information that is held by Government and by public agencies will allow a great deal of spin-off in the private sector. He has taken a leading role in proposing this; it is a situation whereby, as Ordnance Survey has shown, this country can lead the way and we can benefit from it.

Miss Anne McIntosh (Vale of York) (Con): I am grateful to you, Mr. Speaker, for obtaining a copy of the Gracious Speech, a close reading of which shows that there is no reference to defence policy whatsoever. Will the right hon. and learned Lady allow time for an early debate on defence policy? The Sunday newspapers are writing up the story that there is a review of defence policy leading to potential closures of RAF stations in the Vale of York, which is causing great alarm. I pay tribute to those at RAF Leeming and RAF Linton-on-Ouse for all the work that they do locally and nationally for the country. Will she allow time for an early debate to calm their concerns?

Ms Harman: Although there is no legislation in relation to our armed forces, the Prime Minister, and indeed the Leader of the Opposition, referred extensively to the armed forces and their mission in Afghanistan in their speeches yesterday. The hon. Lady will be able to refer to any particular issues in relation to her constituency in the debate on defence on Monday 23 November.

Mrs. Ann Cryer (Keighley) (Lab): I thank my right hon. and learned Friend for her report on the forthcoming business of the House, in which she mentioned Christopher Kelly's report. May we have an early debate on the findings of both the Legg and the Kelly inquiries? I am asking not for legislation, but just for a debate. Will the shadow Leader of the House encourage his friend the Leader of the Opposition, the right hon. Member for Witney (Mr. Cameron) to attend such a debate, and explain whether his enthusiasm for the retrospective aspects of Legg and the Kelly report's eventual ending of all claims for mortgage interest repayments could be combined by his offering to repay all his substantial claims for interest over many years, which would, in turn—*[Interruption.]*

Mr. Speaker: Order. I think we have the thrust of it, but I say to the Leader of the House that I know she is sufficiently dextrous to be able to answer the question without trespassing on territory for the Opposition. She is responsible, of course, for the position of the Government.

Ms Harman: It is important that Sir Thomas Legg can get on with his work. It is also important for the public to be able to see that every single claim made by Members of the House over the past five years has been gone through with a fine-toothed comb and to see that any overpayments, even those made by mistake, are paid back, so that we can turn and face them and say, "Any over-claiming has been dealt with and it's all been paid back."

As far as Sir Christopher Kelly's proposals are concerned, I have said on previous occasions that I do not think they should come back to the House for us to pick and choose between them. They should be looked at as a package and accepted as a package, and sent forward to the Independent Parliamentary Standards Authority to implement. I do not think the public want to see us going through the proposals and deciding which allowance will go, which will stay, which will be raised and which will be lowered—I think they want to see that done independently and any overpayments paid back. We are accountable to the public in the House of Commons and we should recognise that that is the feeling of public concern.

Mr. William Cash (Stone) (Con): Will the Leader of the House acknowledge that the City of London, which lies at the heart of our economy, with 15 per cent. of gross domestic product, is absolutely crucial? The debate she has proposed for 1 December is going to be crucial, as the European Scrutiny Committee has said. Does she accept that it is absolutely essential that we have a proper, substantive motion that is capable of amendment, so that we can ensure that majority voting and co-decision arrangements, and the power and jurisdiction of the European Court of Justice, do not dictate to us the manner in which our financial services are run in future?

Ms Harman: It looks as though the hon. Gentleman will have the opportunity to raise the points he wants to raise on 1 December and next Monday in the Foreign and Commonwealth Office debate. He can also raise the importance of financial services in the Treasury debate.

David Taylor (North-West Leicestershire) (Lab/Co-op): In the blizzard of 106 early-day motions tabled yesterday, one or two are of real importance, not least early-day motion 69.

[That this House notes that the Government prohibited the use of animals to test cosmetic products and their ingredients, because it caused unjustified suffering given the nature of the products; is concerned that the use of animals in scientific procedures continues to outstrip the development of non-animal alternatives in spite of the valuable work of the National Centre for the Replacement, Refinement and Reduction of Animals in Research and other organisations involved in the development and promotion of non-animal alternatives, replacing the need for animal testing and offering hope of humane scientific research; and calls on the Government to implement a policy of prohibition on issuing licences to conduct scientific research and test household products and their ingredients on animals without delay.]

May we have a debate on that important topic? Despite the work of the National Centre for Replacement, Refinement and Reduction of Animals in Research, the number of animals used is heading inexorably for 4 million and beyond. We can do much better. As a humane society, we have a good track record on animal welfare, despite the Opposition's attempts to roll that back. May we look at the issue of animals in such experiments?

Ms Harman: As my hon. Friend knows, because he has championed the issue of animal welfare, we have a very good record and very high standards of protecting animals in scientific research, but we also place a very high value on scientific research, which can make a massive difference to alleviating disease and saving lives. The important thing is to enable that research to proceed without causing unnecessary suffering to animals. I wonder which aspect of the Queen's Speech debate might lend itself to that—I guess it would be either the business or the Home Office aspect.

Mr. Nigel Evans (Ribble Valley) (Con): Sadly, the debate on European affairs on 3 December will not give us an opportunity to talk about the future President of the European Council because a decision on that is likely to be made today. None of us here has been given a vote, so surely there is a lack of democracy in the process. Does the Leader of the House not believe that it is rather bizarre that more people are interested in the futures of John and Edward from "The X Factor" than they are in someone who will have an impact on how we in this country are governed?

Ms Harman: I am sorry, but when the hon. Gentleman started talking about "The X Factor" I could not work out how that related to the important task of making sure that Europe has a clear and coherent voice. We must play a central part in that and we await the outcome today.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Leader of the House says that she will keep the case for a debate on Afghanistan under review, but what criteria will she use to make her final decision that there should be a debate, given that there are so many developments in that country? Will she assure the House that in her review she will make sure that the House has the time for a focused debate on Afghanistan before we rise for the Christmas recess?

Ms Harman: It is important to look across the business of the House as a whole for each week, including statements, questions, general and topical debates and debates initiated by the Opposition parties on Opposition days. I want to make sure that the House has the time that it needs to debate Afghanistan. The country expects the House to devote a proper amount of time to debating our mission there, and to holding Defence Ministers and the Prime Minister to account for it. I want to make sure that every week there is an opportunity for those issues to be raised.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I ask the Leader of the House to introduce a timetable motion next week to extend the time for debate on the Constitutional Reform and Governance Bill? Will she accept that one reason why Parliament is held in such low esteem is that it is correctly seen that we are not performing our function properly, especially with regard to holding the Executive to account and scrutinising legislation? She will know that a number of new clauses and amendments have been proposed to the Bill—some of them tabled by me—that might go some way towards addressing that problem. These are matters that this House must debate, and we need more time to do it properly.

Ms Harman: The right hon. and learned Gentleman will know that questions of timing are dealt with by timetable motions and that, as far as possible, we seek to reach agreement with those on the Opposition Front Bench on how we do that. Obviously, there is an element of unpredictability, as it is not always easy to identify in advance which clauses will cause an extension of the debate. I look forward to the Wright Committee's report to see whether the Committee feels that it can improve how this is done.

Mr. Christopher Chope (Christchurch) (Con): The Leader of the House referred to the Wright Committee, so can she give greater detail about the timetable for debate on the report, once it is published? For example, can she guarantee that we will have a debate, and that resolutions will be put before the House, before the Christmas recess?

Ms Harman: It is a bit difficult to say how we will deal with the Wright Committee's report until we have seen what the balance is of substantive proposals or suggestions for further debate. Obviously, the report will be very important for the House as a whole, and no doubt decisions will have to be made by the House as a whole following the report's publication. I shall try to make sure that we have as much time as possible to debate it, and that we are able to come to resolutions and decisions on it as soon as possible, commensurate with hon. Members having time to look at the report and debate it.

Mr. Oliver Heald (North-East Hertfordshire) (Con): The Leader of the House will know that the Kelly committee has a member from each of the main political parties, although we did not take part in the inquiry into Members' expenses for obvious reasons. However, there are 11 measures in the Kelly report that require primary legislation and which cannot be dealt with by IPSA or by resolution. If Sir Christopher sends her a list of those particular items in his report, will she support or introduce amendments to put those changes into effect before the general election?

Ms Harman: I thank the hon. Gentleman for his suggestion that he will send me a list of the issues that are considered to require further legislation, but he does not need to do so, because that was in Sir Christopher Kelly's report, to which, obviously, I have paid close attention. Perhaps it would assist the House if I went through some of those points and said which of them I do not believe will require legislation and which ones possibly will, in the next Session.

First, there is the proposal for the Independent Parliamentary Standards Authority to—*[Interruption.]* Okay, well, perhaps I will arrange a—

Mr. Hogg: A written statement.

Ms Harman: A written statement? [HON. MEMBERS: "Hear, hear!"] No, what I said had a question mark—"A written statement?" I am not sure—I think that what I will do is have a meeting. I think the position is perfectly clear, but it might help the House if I could go through—*[Interruption.]* I know hon. Members are resisting, but it might help the House if I could go through the proposals and say very briefly which ones might need legislation and which do not. Members are calling for information, but then they are resisting my giving it.

I do not believe that recommendation 4 of the report, for IPSA to

"commission a commercial agency to provide and maintain rented accommodation"

for MPs requires legislation, because IPSA already has the power to set up such an agency. I have already said that I do not believe the proposal to have no more employment of family members requires legislation, because it can be made a condition of paying a salary that an employee is not a family member.

As for ensuring that there is no dual mandate, Sir Christopher Kelly says that that is a matter for the next Parliament, not this. I do not believe that legislation is needed for a new statutory duty for IPSA to

"support MPs efficiently, cost-effectively and transparently",

because it already has that duty. I do not believe that we need to legislate on the House retaining responsibility for the code of conduct and the Register of Members' Financial Interests, but we can accept Christopher Kelly's proposal and not bring into effect the change that would take responsibility for that code of conduct away from the House and give it to IPSA.

I do not want to trespass on hon. Members' good nature by going through the other page and a half of my notes, but they will get the drift. The point is that we accept what Sir Christopher Kelly is suggesting and we want to get on with it, but we do not want to legislate if that is unnecessary because the power in question already exists under the Parliamentary Standards Act 2009.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Equality Bill, as the Leader of the House will know, has 15 parts, 21 chapters, 207 clauses and 28 schedules. I raised with her the importance of full scrutiny of the Bill on Report on 11, 18 and 25 June, 2 July and 15 October, as well as on 16 July, when she said:

"we will want to ensure that we make the Bill an exemplar of how the House should scrutinise Bills on Report".—[*Official Report*, 16 July 2009; Vol. 496, c. 456.]

[Dr. Evan Harris]

As far as I know, there has been no consultation with my party or the Conservative party on the fact that only one day is being given for Report, and no consultation so far on how we are going to get through the 30 new clauses, even before Government new clauses are considered, and the 37 amendments that have already been tabled. Can she assure us that more days will be given for the scrutiny of the Bill?

Ms Harman: I will check back on whether there were discussions on that with the Opposition Front Benchers, and I will give the matter further consideration. The hon. Gentleman has been consistent in raising that point, and I will check out whether I have done what I promised him I would.

Dr. Andrew Murrison (Westbury) (Con): Will the Leader of the House encourage her colleague the Defence Secretary to come to the House and make a statement on the release yesterday of the second board of inquiry report into the tragic death of Captain James Philippson in Afghanistan in 2006? She may recall that the Defence Secretary made certain allegations about Major Bristow in connection with the death of Captain Philippson, which he will no doubt want to correct, particularly as the second board of inquiry and the coroner's report suggested that equipment was implicated.

Ms Harman: The Defence Secretary will be at the Dispatch Box on Monday, and I am sure that the hon. Gentleman will have an opportunity to intervene to make that point and seek a response directly from him.

Mr. Desmond Swayne (New Forest, West) (Con). The questions that have been asked about the Kelly report and the answers that the Leader of the House has attempted to give are eloquent testimony to the fact that there is clearly a need for a debate on whether we need primary legislation. The fact that the exchanges have been so shambolic today indicates that the Government appear to have been caught napping.

Ms Harman: Our approach has been consistent. We recognise the public anger and concern, and we wanted to bring forward the Legg inquiry so that every claim could be looked through. We were also concerned that Sir Christopher Kelly should conduct an independent inquiry into a future framework for our allowances. The matter should not come back to the House, but should be dealt with independently. That is why we legislated to set up the Independent Parliamentary Standards Authority.

It would be better if the whole House were able to reassure the public that the necessary work is under way. We are not out of the woods yet. We still have to do the final payback under the Legg report and to hear from IPSA what its new framework for allowances will be, and all that has to be set up before the general election. Nevertheless, I invite colleagues to recognise that we need to reassure the public that they can have confidence that the House of Commons has sorted out the abuse of expenses. That process is under way.

Sir Patrick Cormack (South Staffordshire) (Con): Is the Leader of the House aware that many of my constituents—and doubtless many of hers and yours, Mr. Speaker—are victims of Equitable Life, and are anxiously awaiting a definitive statement from the Government? We have had several interim statements and we still have the ombudsman's report hanging over us. When will we hear what will happen to those unfortunate people?

Ms Harman: I cannot add to what I said last time that question was asked. In a recent debate, the Chief Secretary to the Treasury explained that Sir John Chadwick will produce a report on a framework for proceeding with ex gratia payments. The work of the ombudsman's report on Equitable Life took four years, because it is an immensely complex matter going back many years. Obviously, we want the matter to be dealt with as expeditiously as possible, so that ex gratia payments can be made. However, it is not easy to work out who needs to be paid and how much. With public money, that has to be done properly, before payments to those who should be getting them can be made as quickly as possible.

Greg Mulholland (Leeds, North-West) (LD): I have twice debated the issue of land banking and the mis-selling of green-belt and other land on the basis of unrealistic suggestions about future development. There has been some success since then, but the Financial Services Authority refuses to intervene when the company involved is offshore, regardless of the fact that it is ripping off countless UK investors. Can we have a debate in Government time? Can we also raise the possibility of a cross-departmental taskforce, so that the Government can finally address this important and serious issue?

Ms Harman: Perhaps the hon. Gentleman can expand on those issues in the debate next Thursday, when the Treasury and business will be the subject of the debate on the Queen's Speech.

Mr. Peter Bone (Wellingborough) (Con): I congratulate the Leader of the House on becoming parliamentarian of the year. More importantly, however, in the annual review of Cabinet Ministers' rankings she has shot up from No. 11 to No. 2. As the founder and, sad to say, only member of HOTS—Harriet's Official Tory Supporters—may I ask her for a statement about whether her rise is likely to continue, and whether she can break through the glass ceiling and become No. 1?

Ms Harman: Sorry, but all the time that I have spoken with the hon. Gentleman from the Dispatch Box, I had not realised that he was hot. I thank him for pointing it out.

Mr. Rob Wilson (Reading, East) (Con): Can we have a debate in Government time on the higher education funding review? In particular, it is important for the current funding review to have democratic student representation and be scrutinised properly so that families do not see it simply as a justification for putting up student fees.

Ms Harman: There will be an opportunity for the hon. Gentleman to raise those points when a Minister from the Department for Business, Innovation and Skills responds to the debate on the Queen's Speech next Thursday.

Several hon. Members *rose—*

Mr. Speaker: I call Mr. Andrew Robathan.

Mr. Andrew Robathan (Blaby) (Con): I am grateful—and surprised—to be called, Mr. Speaker.

Mr. Speaker: Order. May I say to the hon. Gentleman that I hope he is not becoming sensitive? He has no reason at all to be surprised.

Mr. Robathan: It is common currency that, regrettably, this Parliament is very discredited and has become irrelevant to too many of our constituents. We have the Select Committee on Reform of the House of Commons, IPSA and the flawed constitutional reform committee, and we are only a few months away from a general election, yet today only three Labour Back Benchers are bothering to ask the Leader of the House questions. Yesterday we had empty Benches behind the Prime Minister. Can we have a debate on the relevance of Parliament, so that we can bring everything together and make this place the bastion of parliamentary democracy and democracy for our people, instead of the flawed and damaged institution that it has become?

Ms Harman: When I was in opposition for many years, I never came to this House, elected by my constituents, to say from the Opposition Benches that I was irrelevant, or that the work I did was irrelevant. I put it back to the hon. Gentleman that he has been elected by his constituents. That is a massive honour and a massive privilege. He comes to the House of Commons and he can hold Ministers to account and add to the debate. Therefore, he should not talk himself into irrelevance. If he does, he will be doing his constituents a disservice.

Mr. Bernard Jenkin (North Essex) (Con): Pursuant to that last question, may I remind the Leader of the House that the Committee on Reform of the House of Commons was established precisely to address people's perception that this House is not doing its job of scrutinising Government business properly? Given her answer to my hon. Friend the Member for Christchurch (Mr. Chope)—that she could give no guarantees about how the results of the Committee's work would be dealt with—let me return to the point made by my right hon. Friend the shadow Leader of the House that it would be appropriate to make a statement on the publication of the report next Tuesday. We will have time to read it before she stands up to make it, as the report is to be published in the middle of the night. We look forward to the Government responding to proposals about how Government business can be much better scrutinised, so could the Leader of the House tell us how she will respond to the Committee's findings? I remind her that she had to withdraw her original motion.

Ms Harman: I would never argue for complacency. We can always improve the processes of this House and modernise the way in which it does its business. Of course we should keep the issues under active review and make changes where necessary. In the meantime, however, we should not declare our work to be irrelevant, because that would be wrong. Part of the purpose of being a Member of Parliament is to do our job and continue to improve this institution. I said when I was first elected that it is a great and important responsibility to be a Member of Parliament. I came into Parliament to change and improve it, but I certainly did not begin my work by declaring that because I was in opposition, I was irrelevant.

Mr. Philip Hollobone (Kettering) (Con): Thirteen per cent. of our near record prison population in England and Wales is made up of foreign nationals who can be returned to secure detention in their own countries only with their voluntary agreement. Will the Leader of the House make time available for the Lord High Chancellor to make proposals to this House for the compulsory transfer of foreign national criminals back to their countries of origin?

Ms Harman: It is very important that there should be prompt deportation at the end of sentences and, where necessary, repatriation of prisoners during their sentences. That is necessary for a number of reasons, and I suggest that the hon. Gentleman raise those issues next Wednesday.

Mr. Alan Reid (Argyll and Bute) (LD): Can we have a debate on the responsibilities of banks in which the Government are the main shareholder to support small businesses? For example, the Bank of Scotland has withdrawn the post of business relationship manager from its branch on the island of Islay, causing widespread anger among businesses on the island. A manager based on the mainland will never understand the unique circumstances of an island economy. Surely the Chancellor, as the main shareholder in the bank, has a responsibility to ensure that it services businesses throughout the country, so will he intervene in that case?

Ms Harman: I suggest that the hon. Gentleman take the opportunity to raise this matter with the Treasury Minister who will be opening the debate on Thursday 26 November. Of course it is important that all our banks serve their communities, wherever they are.

John Mason (Glasgow, East) (SNP): Given the closeness of the date of the Copenhagen conference, and the success of the Scottish Government on the climate change agenda, is it still the Government's intention to exclude Scottish Ministers from the UK delegation?

Ms Harman: The UK delegation is as it is, and just for the moment, I cannot remember how it is—*[Interruption.]*—but I am sure that it is perfectly formed. I would say, however, that if the Scottish Government want to contribute to tackling climate change, they need to change their attitude to nuclear power.

Sir Nicholas Winterton (Macclesfield) (Con): Last night I viewed the film "Mugabe and the White African", which merits an Oscar. It displays the ghastly horrors that continue to take place in Zimbabwe despite the unity Government. This is a matter for which this country has a major responsibility. Will the Leader of the House find time for a debate on Zimbabwe and the horrors that continue to take place there against both black and white?

Ms Harman: We do not have a topical debate next week, but it is some time since we considered a number of the important issues that are arising in Africa, of which the hon. Gentleman has raised a very important example. I will keep that under review.

BILLS PRESENTED

Corporation Tax Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary Yvette Cooper, Mr. Liam Byrne, Mr. Pat McFadden, Mr. Stephen Timms, Sarah McCarthy-Fry and Ian Pearson, presented a Bill to restate, with minor changes, certain enactments relating to corporation tax and certain enactments relating to company distributions; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 1) with explanatory notes (Bill 1-EN).

Taxation (International and Other Provisions) Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary Yvette Cooper, Mr. Liam Byrne, Mr. Pat McFadden, Mr. Stephen Timms, Sarah McCarthy-Fry and Ian Pearson, presented a Bill to restate, with minor changes, certain enactments relating to tax; to make provision for purposes connected with the restatement of enactments by other tax law rewrite Acts; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 2) with explanatory notes (Bill 2-EN).

Crime and Security Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Alan Johnson, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary David Miliband, Mr. Secretary Straw and Mr. David Hanson, presented a Bill to make provision about police powers of stop and search; about the taking, retention, destruction and use of evidential material; for the protection of victims of domestic violence; about injunctions in respect of gang-related violence; about anti-social behaviour orders; about the private security industry; about possession of mobile telephones in prison; about air weapons; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 3) with explanatory notes (Bill 3-EN).

Constitutional Reform and Governance Bill

Presentation and resumption of proceedings (Standing Order No. 80A)

Mr. Secretary Straw, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary David Miliband, Secretary Alan Johnson, Tessa Jowell, Mr. Michael Wills and Mr. Wayne David, presented a Bill to make provision relating to the civil service of the State; to make provision relating to the ratification of treaties; to amend section 2 of the House of Lords Act 1999 and make provision relating to the removal, suspension and resignation of members of the House of Lords; to repeal sections 132 to 138 of the Serious Organised Crime and Police Act 2005 and to amend Part 2 of the Public Order Act 1986; to make provision relating to time limits for human rights claims against devolved administrations; to make provision relating to judges and similar office holders; to make provision relating to the Comptroller and Auditor General and to establish a body corporate called the National Audit Office; to amend the Government Resources and Accounts Act 2000 and to make corresponding provision in relation to Wales.

Bill read the First and Second time without Question put, and committed (Standing Order No. 80A and Order, 20 October); to be printed (Bill 4) with explanatory notes (Bill 4-EN).

Equality Bill

Presentation and resumption of proceedings (Standing Order No. 80A)

Ms Harriet Harman, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Secretary Alan Johnson, Mr. Secretary Denham, Secretary Ed Balls, Secretary Yvette Cooper, Mr. Sadiq Khan, Mr. Pat McFadden, the Solicitor-General and Michael Jabez Foster, presented a Bill to make provision to require Ministers of the Crown and others when making strategic decisions about the exercise of their functions to have regard to the desirability of reducing socio-economic inequalities; to reform and harmonise equality law and restate the greater part of the enactments relating to discrimination and harassment related to certain personal characteristics; to enable certain employers to be required to publish information about the differences in pay between male and female employees; to prohibit victimisation in certain circumstances; to require the exercise of certain functions to be with regard to the need to eliminate discrimination and other prohibited conduct; to enable duties to be imposed in relation to the exercise of public procurement functions; to increase equality of opportunity; and for connected purposes.

Bill read the First and Second time without Question put (Standing Order No. 80A and Order, 13 May); to be considered on Monday 23 November, and to be printed (Bill 5) with explanatory notes (Bill 5-EN).

Financial Services Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary David Miliband, Mr. Secretary Straw, Mr. Liam Byrne, Mr. Stephen Timms, Sarah McCarthy-Fry, Ian Pearson and Mr. Pat McFadden, presented a Bill to make provision amending the Financial Services and Markets Act 2000, including provision about financial education, and other provision about financial services and markets; and to make provision for the administration of court funds by the Director of Savings.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 6) with explanatory notes (Bill 6-EN).

Energy Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Edward Miliband, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary David Miliband, Secretary Hilary Benn, Mr. Secretary Denham, Joan Ruddock and Mr. David Kidney, presented a Bill to make provision relating to the demonstration, assessment and use of carbon capture and storage technology; to make provision for requiring benefits to

be provided by holders of gas or electricity supply licences; to make provision about functions of the Gas and Electricity Markets Authority; to make provision about general duties of the Secretary of State in relation to gas and electricity markets; to make provision about electricity generation licences; to make provision about persons authorised to supply gas or electricity; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 7) with explanatory notes (Bill 7-EN).

CHILDREN, SCHOOLS AND FAMILIES BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Ed Balls, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Secretary Andy Burnham, Mr. Secretary Denham, Mr. Secretary Hain, Mr. Vernon Coaker, Bridget Prentice and Ms Diana R. Johnson, presented a Bill to make provision about pupil and parent guarantees, home-school agreements, parental satisfaction surveys, children with disabilities or special educational needs, school and other education, governing bodies' powers and school teachers' qualifications; to make provision amending the Education Acts; to make provision about local safeguarding children boards and youth justice; and to make provision about publication of information relating to family proceedings.

Bill read the First time; to be read a Second time on Monday 23 November, and to be printed (Bill 8) with explanatory notes (Bill 8-EN).

FLOOD AND WATER MANAGEMENT BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Hilary Benn, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Denham, Mr. Secretary Hain and Huw Irranca-Davies, presented a Bill to make provision about water, including provision about the management of risks in connection with flooding and coastal erosion.

Bill read the First time; to be read a Second time on Monday 23 November and to be printed (Bill 9) with explanatory notes (Bill 9-EN).

CHILD POVERTY BILL

Presentation and resumption of proceedings (Standing Order No. 80A)

Mr. Stephen Timms, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Ed Balls, Secretary Yvette Cooper, Mr. Liam Byrne, Jim Knight, Dawn Primarolo and Helen Goodman, presented a Bill to set targets relating to the eradication of child poverty, and to make other provision about child poverty.

Bill read the First and Second time without Question put (Standing Order No. 80A and Order, 20 July); to be considered on Monday 23 November, and to be printed (Bill 10) with explanatory notes (Bill 10-EN).

Debate on the Address

[2ND DAY]

Debate resumed (Order, 18 November).

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Education and Health

11.24 am

The Secretary of State for Children, Schools and Families (Ed Balls): Hi! It is a great honour to open this debate on Her Majesty's Gracious Speech, the fifth and last of this Parliament. This Gracious Speech is based on the firm belief that the Government have a vital role to play in securing economic prosperity and building a fair society, with measures to secure our economic recovery and financial responsibility; to renew our democracy and this Parliament through political and constitutional reform; to continue, as we are debating today, our investment and reform of public services—in health, with a new series of powerful patient rights and wider provision of free personal care as a stepping-stone to the creation of the first ever national care service, and in education, with every pupil and every parent to be guaranteed a good local school, a balanced curriculum, tough home-school agreements and discipline and catch-up support for those who fall behind.

These clear entitlements and guarantees are essential for a strong economy and a fair society in which everyone accepts their responsibilities. They are possible only now because of our sustained investment and reform over the past 12 years. They are tailored to the needs of individual families; they are led locally by doctors, nurses, teachers and head teachers, with Government stepping in only as a last resort. These guarantees are all actively opposed by the Conservatives and would not appear in any Queen's Speech introduced by Her Majesty's Opposition.

Bob Russell (Colchester) (LD): Will the Secretary of State give a definition of what a local community school is when a community has a school that the Tories want to shut, but the community wants to keep?

Ed Balls: I know that there is some history behind that intervention and meetings with the Schools Minister have taken place on these matters. It is important that local authorities are leaders in their commissioning role in their local areas, but in doing so they must ensure that they put the best interests of pupils and parents first and consult widely. I have to say that no Conservative authority in the country needs to be at all embarrassed about guarantees to ensure good local schools and catch-up tuition. If local authorities are not embarrassed by matching those pledges, why is the hon. Member for Surrey Heath (Michael Gove) so embarrassed by the idea of these pledges and guarantees? It is very hard to understand.

Mr. David Laws (Yeovil) (LD): May I ask the Secretary of State how meaningful these guarantees are? Let us take the fifth pupil guarantee, which says that

"every 11-to-14 year-old enjoys relevant and challenging learning in all subjects"

and that this pledge

"will be phased in by September 2010".

How many schools are not already meeting the fifth pupil guarantee?

Ed Balls: I shall come on to the detail of all the guarantees in a moment, but on that particular one, we are announcing today that we have reformed the primary curriculum. We have also reformed the key stage 3 curriculum for 11 to 14-year-olds to make sure that there is teacher discretion, while ensuring at the same time that all schools are delivering a balanced curriculum. That is there in the guarantees and I would have thought that the hon. Gentleman would welcome it.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): My constituency has historically had low income, low aspiration and low educational achievement. As a result of the sustained investment going into our local schools there has been a huge improvement, but it still lags behind the national average. Will my right hon. Friend assure me that the measures in the Queen's Speech will go a long way to addressing the social and economic issues that hinder a child's educational performance to complement the investment that we have put into teachers and the bricks and mortar of the schools?

Ed Balls: I absolutely agree with my hon. Friend. It is not good enough for a parent to know that in their area the average child is doing well or that most schools are doing well; what the parent wants to know is that their child is getting support and their school will be improved. That is what we guarantee in the Children, Schools and Families Bill with powers to step in if it is not happening. That is what parents want—not a free market free-for-all, which is what the Conservatives are proposing.

Let us be clear that none of these guarantees could have been delivered or even promised with any credibility back in 1997 because we inherited a school system and national health service that had been subject to underinvestment for decades. Let us not forget that in 1995 it was a Conservative Government who introduced and then failed to deliver an 18-month target for NHS waiting lists—*[Interruption.]* Yes, it was an 18-month, not 18-week, target that they introduced but failed to deliver in 1995. In education, too, in 1997, we had leaking roofs, pupils using photocopied textbooks, a teaching profession demoralised, a third of 11-year-olds leaving primary school not secure in the basics and half of our secondary schools not even reaching the basic benchmark of 30 per cent. gaining five good GCSEs, including English and maths.

The fact is that over the past 12 years we have had over 80,000 more doctors, 40,000 more nurses and 100 new hospitals. We are not failing to meet an 18-month waiting list target; we are delivering an 18-week target nationally. That is what our investment and reform have delivered. As for schools, we have 40,000 more teachers, more than 180,000 teaching assistants, 4,000 new or refurbished schools—the biggest school building programme since the Victorian era—and over 100,000 more children leaving primary school secure in the basics. Under the Conservatives, one in two schools did not make the grade. Now, just one in 12 do not make the grade. We will get there by 2011, because this party does not want a free market free-for-all. What we want is for every child to deliver in every school. That is our record.

Mr. Graham Stuart (Beverley and Holderness) (Con): I wonder whether the Secretary of State is as concerned as I am about the fact that the number of children in poverty has risen each year for the past three years, and the fact that the gap between children receiving free school meals and those from wealthier backgrounds has not narrowed under the current Government. May I put it to him that, rather than trying to find political dividing lines, he should try to make common cause with those of us on both sides of the House who wish to see disadvantage tackled and not used as a political football?

Ed Balls: I fear that the hon. Gentleman is as confused as the Conservatives' Front-Bench spokesman. Yesterday on the "Today" programme, the hon. Member for Surrey Heath began an interview at 7.10 am by saying that our Child Poverty Bill was a gimmick and a political device. By 7.15 am, he was saying that he would support it.

The fact is that between 1979 and 1997 child poverty doubled. The fact is that over the past 12 years the number of children in poverty has fallen by more than 600,000. We will do more. What I want is a cross-party consensus that child poverty should be eradicated. If the hon. Member for Beverley and Holderness (Mr. Stuart) is willing to join that consensus, he should know that it is not about political dividing lines, but about Governments' delivering fairness and equality. He should be supporting that.

I know that Opposition Members find this very difficult, particularly the hon. Member for Surrey Heath. At every stage, his approach to our more teachers, more investment and raising of standards is to run down the achievements of teachers, head teachers and our young people each year. Every few weeks, we hear a repetition of the usual litany from the hon. Gentleman. He comes along to the House, reads out what he calls our Mickey Mouse test questions in GCSE exams, and tries to use them in order to demonstrate that there has been dumbing down, that the exams are too easy, and that there is no rigour in our state education system.

I have to say that that is total and absolute nonsense. I have been checking exam papers over the last few weeks. I had a look at the GCSE additional science and biology paper. First question, first page:

"Name the type of enzyme that digests stains containing fats."

It sounds quite difficult to me. Does the hon. Gentleman have an answer? I should be happy to take an intervention from him.

Right. Let us try another one: "Explain how a fluoride atom can change into a fluoride ion." The hon. Gentleman is well known as an erudite and intellectual man. What is the answer? Let me repeat: "Explain how a fluoride atom can change into a fluoride ion." Does he want to try that? Does he want to try?

Third one, then. *[Interruption.]* Look, to be honest, these are really hard. I do not know the answers; I am asking whether the hon. Gentleman knows the answers.

The third question comes from the mathematics exam, GCSE, June 2008: "Work out 3¾ minus 1⅔" Does the hon. Gentleman want to try? I asked the Minister for Schools and Learners a moment ago. He worked it out as two and seven twentieths. I do hope that he is right. The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs checked it as well, and he says that that is the right answer.

Hard questions, Mr. Speaker—hard questions in tough exams in which our young people are doing very well. But I have to say that there is one question to which I do know the answer. Why are more young people leaving school with good grades? It is not because there is dumbing down and the exams are getting easier; it is because of the hard work of pupils and parents and teachers and head teachers, and the investment and reform that the hon. Gentleman's party has opposed consistently over the past 12 years.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I have listened to the Secretary of State's end-of-the-pier turns with great interest, but he is being very partisan. We want to be constructive. Indeed, the whole country wants us to be constructive on the important issue of education. He has tried to entertain us, but we need some facts. Let me give him some.

More than 50 per cent. of pupils are still not obtaining five good GCSEs including English and maths. Given that all those pupils have been educated entirely under a Labour Government, will the Government accept that their policies have failed and that head teachers and teachers must be given more trust and freedom to be able to raise standards for the whole country?

Ed Balls: I will come on to discuss the free market—and actually, when we look into the detail, rather interesting—policies of the hon. Member for Surrey Heath, but as the hon. Member for Bexleyheath and Crayford (Mr. Evennett) raises the issue, let me say that, yes, I am not satisfied, because 50 per cent. of pupils getting five good GCSEs including English and maths is not good enough, but the proportion was not 50 per cent. in 1997; it was a third of pupils—about 33 or 34 per cent.—12 years ago. We have made real progress with investment and reform; there are rising standards and more good teachers. The hon. Member for Bexleyheath and Crayford should be backing our reforms and proposals, rather than trying to run them down for party political and partisan reasons, contrary to the facts and the reality.

The Leader of the Opposition said yesterday that he was embarrassed—that we were trying to embarrass him. There is nothing embarrassing in this Conservative Front-Bench team saying, "We will guarantee parents and pupils a good school." There is nothing embarrassing in it saying, "For 16-year-olds, we will guarantee a school, college or apprenticeship place." The reason why the hon. Member for Surrey Heath is embarrassed is that the shadow Chancellor will not let him make the pledge. That is why under a Tory Government there would be young people leaving school and not getting a school, college or apprenticeship place. That is why he is embarrassed. Conservative Back Benchers should not be embarrassed, however; they should be pressing their Front-Bench team to get in the real world.

The reality is that we are the party that is more ambitious. We are the ones who, on this track record, want to do more. We know that we need excellence for all, rather than just some, children in our schools and school system. The only way to do that—as the Bill, which the Conservative party should support, sets out—is on the basis of investing in public services and having clear entitlements for public service users. It also involves backing local leaders—the hon. Member for Bexleyheath and Crayford mentioned this—to deliver services by devolving power, responsibility and accountability, and matching that with stronger accountability through the report card, as well as, where needed and as a last resort, not leaving things to the free market free-for-all, but stepping in and demanding the best for every pupil in every school. That is what our guarantees are all about.

Let me say something about health, which will also be debated over the course of today. My right hon. Friend the Secretary of State for Health is now proposing to back patients by turning targets into entitlements—an entitlement for all NHS patients to start treatment within 18 weeks, for them to see a cancer specialist within two weeks when referred by their GP, and where that is not possible, for the NHS to take all steps to find an alternative provider. He is also proposing a new legal right to an NHS health check every five years for 40 to 74-year-olds, and to lay the foundations for a national care service, starting with free personal care for those with the greatest needs. Those are guarantees which, aside from the political games being played, will have families in homes around the country saying, "Yes, that is what we want." That is what a Labour Government will deliver.

In schools, too—

Mr. Laws *rose*—

Ed Balls: I will give way to the hon. Gentleman shortly, but he asked me about our schools guarantee, so let me set out some details on that first. In schools too—*[Interruption.]* I would take a question from the Liberal Democrat Health spokesman, but unfortunately he has not turned up. I will take a question on schools in a moment.

We will now enshrine in law our guarantees to pupils and parents. They include providing catch-up help for any child who falls behind in reading, writing or maths during primary school and, for any child not getting to level 4, an entitlement to 10 hours one-to-one or small group tuition in year 7, with a report to parents at the end of year 7. That is not a gimmick; it is a real and tangible guarantee, which should be supported by any party that wants to invest in education for all children, rather than just some. Secondly—

Mr. Laws: Will the right hon. Gentleman give way?

Ed Balls: In a moment. Secondly, there will be a personal tutor for every secondary school pupil, who will be a point of contact for the pupil and their parent throughout their time in secondary school. There will also be strong and effective discipline through tough home-school agreements so every family knows their responsibilities and schools have the power to take action to deliver discipline where needed. There is also—I have mentioned this before—our September guarantee

[Ed Balls]

to school leavers, and now our new January guarantee of a place in education, which we will deliver and the Conservative party would deny. That is not politics; it is about the lives of young people. It is about their chance of having a job, a career or an apprenticeship, which we will invest in and the Conservative party wants to cut. That is the reality.

Mr. Laws: May I bring the Secretary of State back to the issue of health? A moment ago he was chiding the Opposition parties for not welcoming the proposals on personal care. What, then, does he say about the comments that Lord Lipsey made overnight? He said that "one of the consolations" of his Government losing the next election is that it would sweep away

"one of the most irresponsible acts to be put forward by a prime minister in...recent history".

Ed Balls: I was not chiding people for making comments about health; I was chiding the Liberal Democrats for failing to have a health spokesman on the Front Bench. As for social care, we are making a commitment now, with money now, to give support now in their homes to the most vulnerable people in our society. The hon. Gentleman should be backing them as we move forward to the national care service, on which my right hon. Friend the Secretary of State for Health is consulting. The hon. Gentleman should be supporting what a progressive Government do, rather than opposing it and playing politics with the regressive Government that the Opposition would provide.

Dr. Andrew Murrison (Westbury) (Con) *rose—*

Ed Balls: I will take one more intervention.

Dr. Murrison: Can the Secretary of State therefore explain what Lord Lipsey meant when he said that yesterday's announcement on long-term care was like

"an admiral firing an Exocet into his own flagship"?

Ed Balls: Not for a moment, and I will leave my right hon. Friend the Secretary of State for Health to answer those questions when he winds up later. I could not begin even to unpack that analogy, let alone know what the hell it means. What I would say is that we and Lord Lipsey are both clear that we want decent care for people in their homes. We will deliver it because we will invest in resources. The Opposition would not deliver it because they would cut resources; that is the difference.

Let me deal with entitlements and how they will be enforced, which has been an issue. We expect in the vast majority of cases the concerns of parents, if they arise, to be resolved at school level, and that is an issue for personal tutors, heads and governors, with the parents. We legislated in the last Session for the seeking of redress, as a last resort, from the local government ombudsman. I would like to make it clear that, for any parent who is entitled to catch-up tuition for their child and is not getting it, we are announcing today that local authorities will have a duty to ensure that there is alternative provision outside the school, if that is needed, to get a child on track. Parents want tough discipline and to know that if their child falls behind, they will get the help. We will guarantee that, and as I said, there should be a consensus on this matter.

Mr. Laws: Will the Secretary of State give way?

Ed Balls: I have taken enough interventions; I will come to the hon. Gentleman in a second.

Our "21st century schools" White Paper also sets out a significant devolution of power and responsibility to head teachers. We are going to implement Jim Rose's review of the primary curriculum and create more space for teachers to be able to deliver that curriculum. We will introduce a new licence to practise for teachers, similar to that held by other high-status professionals such as doctors and lawyers. We will put the wider elements of personal, social and health education on a statutory footing, guaranteeing for the first time that all children are receiving sex and relationship education, with the parental opt-out lowered to 15. We will make the process of establishing an academy easier and reduce bureaucracy, so that all academies are guaranteed charitable status, and we will introduce a new registration system for home educators. I am told by the Opposition that there is nothing in this Bill. These are radical reforms, delivering for parents and schools the support they need to deliver for every child. As I said, the Opposition should be supporting them, rather than playing politics with this Bill.

Before I move on, let me turn to accountability. We will match these new flexibilities by strengthening school accountability in our school report card, which will include information on attainment but also set out for parents how well their school is doing for every child, in stretching the most able, and in areas such as discipline, sport and health. Because parents are clear that they want to know how their children and local primary schools are doing, I have announced in a written statement this morning that, following the recommendation of our expert group on assessment, we are, of course, retaining key stage 2 tests in English and maths, and I have today approved the Qualifications and Curriculum Development Agency's choice of the preferred test operator—Edexcel—to deliver English and maths tests for 11-year-olds in 2010. We will also—again, implementing the recommendations of the expert group—publish teacher assessment data for pupils in year 6 alongside those externally marked tests, and from 2011 we will introduce a new form of local moderation of teacher assessment as we build confidence in teacher assessment, alongside that objective information for parents.

Mr. Lee Scott (Ilford, North) (Con): Will the Secretary of State ask his colleague the Secretary of State for Health to step in to stop immediately the proposed cuts to accident and emergency services at the King George hospital, which serves my constituency, as well as that of the hon. Member for Ilford, South (Mike Gapes)?

Ed Balls: The hon. Gentleman has asked his question and the best thing would be for the Secretary of State for Health to answer it later. Obviously, I do not know the details of the case, but I should say that it is the extra investment in doctors and nurses and in our accident and emergency units across the country that is delivering the improvements in waiting times and in health care for people in our country.

I wish to discuss a question that goes to the heart of the debates that we will have in the coming months and of the issue raised by the hon. Member for Bexleyheath and Crayford relating to school improvement: what happens when leadership is not strong, when school

rolls are falling and when a school is struggling to hire a head of maths or English? In such circumstances, parents are right to say that they want action, which is why in this Bill we will provide stronger powers for parents to demand change from local areas. In addition, over the past two years we have challenged governing bodies and local authorities to drive improvement and radical change where it is needed.

As I said, that has delivered huge results. In 1997, more than 1,600 schools were not meeting the basic benchmark—that was what we inherited—but 638 schools were doing so when we launched our national challenge two years ago and as a result of £400 million of money that we are investing the figure is now 270. We are not now talking about one in two, but one in 12 and we will get the number down to zero by 2011. My message to the small number of councils that do not act and drag their feet is that there is no excuse for that and we must improve every school in every area.

We are clear that that improvement must be led by the schools themselves, local commissioners must step in where action is not being taken and we have powers and are taking further powers to demand that they act where progress is not being made. In July, when we published the White Paper, I told the House that I was concerned about school improvement in Leicester, Blackpool and Gloucestershire, and I asked independent expert advisers to report on what more could be done. Today, I have accepted and published the reports on Blackpool and Gloucestershire, where, with the full agreement of those local authorities, we are now moving ahead on school improvement, new academies and new national challenge trusts. We will receive the reports on Leicester, Kent and Suffolk shortly.

In addition, the Minister for Schools and Learners has today written tailored letters to a further 30 local authorities, which contain 38 national challenge schools where we are concerned that the action we want is not being taken. We have particular concerns about four of those 30 and we will need to know that there is a plan in place by Christmas. If there is not, we will use the powers that will commence in January to demand improvement in those schools and we will expect the local authority to issue a warning notice.

We are also particularly concerned about progress in Dudley, where there were plans for an academy but for some reason that I do not fully understand the Conservative administration in that local authority has decided that an academy may not be the right approach to take. I am sending in an expert adviser to see what has happened, what has gone wrong, who has been advising the local authority on its plans, whether the authority is getting the wrong advice and whether, in fact, we should be moving forward with this. We will see what the expert adviser tells us when a report is made to us by Christmas. If the hon. Member for Surrey Heath wishes to clarify the point, I would be happy to take an intervention now.

Mrs. Claire Curtis-Thomas (Crosby) (Lab) *rose—*

Ed Balls: As the hon. Gentleman does not wish to do so, I shall take an intervention from my hon. Friend.

Mrs. Curtis-Thomas: I thank the Secretary of State for his speech. Does he agree that the 1,600 failing schools in 1997 were directly attributable to significant areas of deprivation throughout this country? Would he like to say a few words about how this Government have tackled that deprivation, which has led to our having improved education in areas that the Conservative party regarded as "no-go" zones?

Mr. Graham Stuart: The gap has widened.

Ed Balls: The hon. Gentleman shouts from a sedentary position that the gap has widened, but that is categorically untrue—the gap has narrowed over the past 12 years. We need to look at the facts, about which my hon. Friend was right. In 1997, half the secondary schools were below the benchmark, but two thirds of the pupils in those schools came from areas of below average income. Children from low-income families in lower-income areas were disproportionately losing out from Conservative education policy. Not only have we acted at the school level, but we are now saying that any child who falls behind will get extra help. That is the only way to close those gaps in attainment. It is a scar on our society, as it has been for generations, that children in poor areas do less well. The gap is narrowing, although there is more to do, but it will not narrow if we go back to the policies that we had before 1997—*[Interruption.]* It is narrowing.

I am working with local government across the country to drive up standards and improve schools. In the case of Dudley, we are now sending in the national adviser with the agreement of Dudley council. I am grateful for the council's support. We are working with Conservative councils, Labour councils and Liberal councils across the country to introduce academies and national challenge trusts: Labour councils such as Nottingham, Salford and Hackney; Conservative councils such as East Sussex and Coventry; we even have a Liberal council working with us in Hull, which is a great thing to see.

I believe that we have emerging cross-party consensus in our country across local government—among Labour representatives, Conservatives and Liberals—about what we can do together to improve schools. However, that consensus is not shared in this House. The hon. Member for Surrey Heath disagrees with all the Conservative councillors who are working with us. He says that there is no role for local government in driving up standards. He expects parents on their own to have the time and the know-how to set up their own schools.

Bob Russell: Will the Secretary of State give way?

Ed Balls: I will not.

The hon. Member for Surrey Heath will not match our investment in front-line public services or support our guarantees—

Mrs. Ann Cryer (Keighley) (Lab): Will my right hon. Friend give way?

Ed Balls: In one second—*[Interruption.]* I have already taken an intervention from the hon. Member for Colchester (Bob Russell) and, to be honest, we have had many meetings.

On top of the investment that the hon. Member for Surrey Heath will not match, he will cut £200 million from the Sure Start budget, slash our school building programme by £4.5 billion, break our promise on pay and conditions to teachers and head teachers—which he says he will scrap, along with all the benefits that we have had in working hours through the national agreement—and refuse to match our September and January guarantees to parents.

Mrs. Cryer: Does my right hon. Friend agree that Opposition Members frequently do not represent the sort of constituencies that we represent? They therefore do not have an understanding that some parents are incapable of helping their children, sometimes because they are on drugs and sometimes because they simply do not have any English. We do not want that sort of situation, but we are in it, and I do not think that there is a magic-wand solution to it. Some of our schools are doing wonderful work with these children. I have three schools where 95 per cent. of pupils enter without a word of English, yet many of those kids are ready to take A-levels at 18. We have to look for value added, and these are very difficult circumstances.

Ed Balls: My hon. Friend is absolutely right. The only way to deal with this is to start with the earliest years. That is why investment in Sure Start is so important and why we have to engage parents early in primary and secondary school. As I know, because my hon. Friend and I have visited schools together, that means getting the parents involved and sometimes helping them with their learning, and also saying to every parent, "You have to face up to your responsibilities and support your child." If we do that, we can make great progress.

It is true that more Labour Members have more experience of those challenges and difficulties. I thought the Leader of the Opposition was very candid yesterday when he said there were almost no Conservative voters in the whole city of Glasgow. That is probably true of a number of inner-city areas around the country—*[Interruption.]* I apologise; let me set the record straight. There were actually 95 supporters of the Conservative party in Glasgow, North-East. I apologise to the *Hansard* writers for that slip and I am pleased to clarify it.

I said earlier that these guarantees are not being supported by those who sit on the Opposition Front Bench. The hon. Member for South Cambridgeshire (Mr. Lansley) has made it clear that he opposes our 18-week guarantee and our commitment to allow patients to see a cancer specialist in two weeks. I believe that for about an hour and a half yesterday the shadow Chief Secretary said that the Conservative party would back the two-week guarantee but was then reoriented over the course of the afternoon and came back into line, I would guess after a conversation with the shadow Chancellor.

I have to say that I am puzzled; why are the Conservatives not supporting these guarantees? Why are they giving in to those with vested interests and to GPs, rather than putting the interests of patients first? After all, the Leader of the Opposition said that he supports the NHS. He even elevated it to a cast-iron guarantee—or should I say an "iron-cast guarantee" as I am on the Government Benches? Whatever; he will drop it soon. We know how worthless cast-iron guarantees are from the Leader of the Opposition.

Labour Members see in Conservative health policy the influence of the right and the straitjacket that it is putting on the party leadership. Back in August, I remember that the Conservative MEP for South East England, Daniel Hannan, said that the NHS was a "60-year mistake". To be fair, the hon. Member for South Cambridgeshire has made his views clear. He has distanced himself from the views of Mr. Hannan, MEP, and I accept that and it would be wrong for me to use Mr. Hannan's views and directly attribute them to the hon. Gentleman. I will not.

The problem is that the issue of Mr. Hannan is rather more difficult for the shadow Secretary of State for Children, Schools and Families than for the shadow Secretary of State for Health, because he is rather more of an admirer of him. They are fellow neo-conservatives, fellow Eurosceptics, fellow members of organisations and intellectual soul mates. In fact, the hon. Member for Surrey Heath was listed as a supporter of a book published last year called "The Plan" written by Mr. Hannan and the hon. Member for Harwich (Mr. Carswell). It set out a very different legislative programme with his support, calling for the NHS to be replaced by a system of insurance and for the Firearms Acts to be abolished, saying that Criminal Records Bureau checks poison society and advocating withdrawal from the EU. The interesting—

Peter Bottomley (Worthing, West) (Con): On a point of order, Mr. Speaker. Would it be possible to have the extra electrons that have been added to the Secretary of State taken away so that he can become less negative and more neutral? That is the answer to his question, by the way.

Mr. Speaker: That is not a point of order for the Chair, as the hon. Gentleman knows perfectly well. It is a point about the expression of frustration.

Ed Balls: I am not going to be neutral, Mr. Speaker. I am going to stand up for parents and pupils in our country and to expose the difference between our Queen's Speech and that which the Opposition would propose. That is the debate that we will have in this House.

It is important that I should set out these points in the debate on the Queen's Speech so that we understand the basis for the debate. The publication that was produced last year is not the only joint publication to which the hon. Member for Surrey Heath has put his name along with Mr. Hannan. There is another book co-authored by the shadow Secretary of State for Energy and Climate Change, the shadow Secretary of State for Culture, Media and Sport, the shadow Secretary of State for the Environment, Food and Rural Affairs, Mr. Hannan, MEP, and the shadow Secretary of State for Children, Schools and Families. It was published in 2005 and is called "Direct Democracy: An Agenda for a New Model Party". It sets out some really interesting ideas. Does he remember? Let me prompt him.

The book says that our NHS

"fails to meet public expectations"

and is

"no longer relevant in the 21st century".

I shall not make a big deal of that because I know that the shadow Secretary of State for Health does not agree with Mr. Hannan's view, although I do not know whether he has had that conversation with the shadow Secretary of State for Children, Schools and Families.

I think that the chapter on education in this 2005 book is particularly interesting. It has the normal sweeping attack on the "failing" state education system—we expect that. It also makes it explicit that we should restrict excellence to the few rather than broaden it. It states:

"Too many children do too many exams, all designed to get too many of them into university, where there are too many degrees on offer to too many students."

That is the description used by the hon. Member for Surrey Heath—it is very interesting. The book also states:

"The National Curriculum—designed to stop wacky Left-wing teachers filling children's heads with nonsense—has been captured by the very people it was supposed to frustrate"—

I think that means the Minister for Schools and Learners.

"It is now a principal method by which the Left-wing educational establishment imposes its orthodoxies on schools"

and states:

"The National Curriculum should be abolished."

That is very interesting.

The comments are most interesting on the subject of Sweden. Let me quote:

"In Sweden...chains of profit-making schools, educating tax-funded pupils, are a particular feature of the system."

It goes on:

"Financiers looking for a return on investments are the natural source of the capital needed for the establishment of new schools, which would otherwise have to come from the taxpayer; and"—

this is most interesting—

"shareholders are the most effective guarantee of high standards and good management."

It then states that

"there can be no objection to the profit principle in education."

That is what this book says, and it contains policy proposals to which the shadow Secretary of State for Children, Schools and Families put his name in 2005, unlike the shadow Secretary of State for Health, who has been doing some distancing of himself from Mr. Hannan and his book.

On the national curriculum, the hon. Member for Surrey Heath has been clear: he wants all primary and secondary schools to opt out of the national curriculum altogether—*[Interruption.]* The Conservatives do not like this. I know that it is not very comfortable, but we shall carry on. The hon. Gentleman says that schools should be teaching history and phonics, but he also says they should opt out of the very curriculum in which the phonics and history will be included—totally incoherent.

On the issue of profit, the hon. Gentleman has been a little less clear over the past few months. If we want to follow his advance thinking, the important person to read is his other intellectual soul mate, the editor of *The Spectator*, who has said:

"It is my understanding that Cameron has agreed: he wants an English education industry. An industry needs to make profit...Until last week, I saw a flaw in the Tory plan. They were going to ban anyone from making a profit out of a school. I was wrong. From my conversations last week, I'm confident Cameron will let the new schools make a profit. I'm told it will be called a 'management fee'. They can call it 'Louise' if they like because it will give the go-ahead to what we need."

That is the Opposition's schools policy. That is what they are briefing to their friends in the press. I hope the hon. Gentleman will come clean in his speech today. That is the truth. It is not about tough regulation and accountability, but about wholesale deregulation. It is not about guarantees to parents and pupils, but about a free market free-for-all. It is not about putting the needs of children first, but about putting profits first. That is Tory education policy.

Mr. Graham Stuart: Will the Secretary of State give way?

Ed Balls: No, I will not.

This is the choice. Do we build on our progress? Do we continue our front-line investment? Do we back head teachers and teachers? Do we guarantee high-quality public services? Or do we turn back the clock and go back to a Government who will have longer waiting lists, with the vulnerable not helped? Do we go back to a world in which parents are told, "Either you set up your own school or your children will be left to wither and decline"? Do we go back to an unfair, unfunded free market experiment, in which an education industry and profits come before parents and pupils? That is the choice. That is the difference. That is the debate for the coming months and I commend the Gracious Speech to the House.

12.2 pm

Michael Gove (Surrey Heath) (Con): It is always a pleasure to follow the Secretary of State in the debate on the Queen's Speech, not least because the Gracious Speech had his fingerprints all over it. It was, in every sense of the word, pure Balls.

Before the Gracious Speech was delivered, we were told by one Cabinet Minister that it would be the most political Queen's Speech for 12 years. Instead of that statement being a shamefaced confession, it was actually a boast. The Cabinet Minister concerned appeared to think that there was a virtue in using the Government's entire legislative programme for narrowly partisan purposes.

Whoever that anonymous briefer might be, he certainly will not come in for any criticism from the Secretary of State. After all, the right hon. Gentleman was the man who told the *New Statesman* that his predecessor, the right hon. Member for Bolton, West (Ruth Kelly), was absolutely wrong to pursue consensus over schools policy. What we needed, the Secretary of State said, was

"to get back to a clear dividing line between us and the Conservatives on education policy."

Note his priority: in the very first interview he gave on education, his priority was not raising pupil attainment, extending parental choice, freeing teachers from bureaucracy, improving discipline, enhancing literacy or closing the widening gap between the richest and the poorest. No, his priorities were not our priorities. His priority was simple: creating dividing lines—putting political positioning over principle, with partisan politics instead of national renewal.

Where there was harmony, the Secretary of State promised to bring discord. That is one promise he has certainly fulfilled. As my hon. Friend the Member for Worthing, West (Peter Bottomley) pointed out earlier when discussing subatomic particles, we all know that atoms, whether fluoride or otherwise, are made up of protons, neutrons and electrons. The way to transform an atom into an ion is by adding or taking away an electron. As my hon. Friend pointed out, the type of ion the Secretary of State is probably responsible for producing is one that is relentlessly negative. However, one of the problems with the right hon. Gentleman is that if subatomic particles are handled insensitively they can sometimes create nuclear explosions.

Talking of nuclear explosions brings me to relations between the Secretary of State and the Chancellor of the Exchequer. One thing has not changed in the last 12 years. The Secretary of State still thinks he is running the Treasury. He will not rest until he is in No. 11. For him, "Move Over, Darling" is not a film starring Doris Day,

[Michael Gove]

it is an operation he has probably subcontracted to Damian McBride. In the battle between the Secretary of State and the right hon. Member for Edinburgh, South-West (Mr. Darling)—between the man the Prime Minister wanted to be Chancellor and the man he was too weak to move—things have not quite gone the Secretary of State's way.

Let us look at the tangled story of Mr. Balls and the public spending commitments. Early in the morning of 15 June this year, on Radio Five Live, the Secretary of State promised a real-terms increase in spending on health and in his Department after 2011. Later that same morning, the Chief Secretary to the Treasury told journalists that there would be no such rises, and that the Secretary of State could not make that promise. At lunchtime, however, the Secretary of State was back, this time on Radio 4—moving upmarket. He again promised those same real-terms rises, but when he was told what the Treasury had said the Balls balloon quickly became deflated.

"We want to see spending rising",

he offered, but

"we can't make those commitments now."

From a firm promise of a better future to a faint hope in just a few minutes: the story of the Secretary of State's life.

Ed Balls: If a real-terms rise in education funding is needed for a better future will the hon. Gentleman commit to it today?

Michael Gove: The crucial thing is that the Secretary of State has not committed to a real-terms increase because the Chancellor of the Exchequer will not let him. The Chancellor of the Exchequer and the Chief Secretary have been perfectly clear: the Secretary of State is not authorised to make such promises. I notice that when the Secretary of State asked his question, he used the conditional. He was not so hesitant before. He was absolutely adamant that spending would increase—until he was slapped down by the Chancellor of the Exchequer.

After the Secretary of State was slapped down by the Chancellor he went quiet for a little bit over the summer. After that period of silence—I think welcomed by the nation—came to an end in September, he shared his thinking with *The Sunday Times*. On 20 September, in an interview with Isabel Oakeshott and Jonathan Oliver, he promised not spending increases but spending cuts:

"It is going to be tougher on spending over the next few years",

promised the born-again fiscal conservative. He promised £2 billion-worth of cuts—5 per cent. of the schools budget cut—to come straight from the front line. He wanted to

"reduce the number of senior school staff such as head teachers, deputies, assistant heads and heads of departments."

He wanted to remove 3,000 posts, saving the Department £250 million a year. Cutting 3,000 of the most senior professionals in our schools? When the public said they wanted heads to roll because of the Government's failure, that is not what they meant.

Head teachers and school leaders are crucial to improving our education system. We should be supporting them, not sacking them. A Conservative Government would give our heads more power over budgets, over discipline, over the curriculum and over staffing. A Labour Government would give them a P45.

Unsurprisingly, the Secretary of State's proposals were described as disastrous by John Dunford of the Association of School and College Leaders. Mick Brookes of the National Association of Head Teachers said it was a sign of a Department in disorder. The Chairman of the Select Committee on Children, Schools and Families, the hon. Member for Huddersfield (Mr. Sheerman), who is in the Chamber, said:

"I haven't heard of anyone in the educational network who thinks it's thought through."

That is just what the trade unions and the Labour comrades thought of the Secretary of State's plan, so perhaps we should not be surprised that we have heard no more about those proposals to decimate the number of heads in this country.

Bob Russell: Will the hon. Gentleman give way?

Michael Gove: I am delighted to give way to the hon. Gentleman.

Bob Russell: Around the country, we have seen the emergence of a few super-heads, who run two or three secondary schools. Although the Secretary of State has been silent about them today, he has welcomed them outside the Chamber. Can the hon. Gentleman let us know what the Conservative party view is on super-heads?

Michael Gove: I am in favour of super-everything. If schools wish to federate, I am all in favour of the idea that they have an executive head who can help to co-ordinate their efforts—someone such as Dan Moynihan, for example, who does such a brilliant job for the Harris group of academies, which I am sure the hon. Gentleman admires. Dan Moynihan does a wonderful job, but the point is, as he said, that he does it in tandem with great school leaders, great deputy heads and great heads of department. He does not get rid of them; he promotes them and enhances them. He backs them.

After the Secretary of State had talked about cuts in *The Sunday Times*—after that particular little adventure—he decided, again, that a period of silence might be appropriate. We heard no more from him on spending until this week, when the man who, two months ago, wanted to cut the total Department for Children, Schools and Families budget by £2 billion told the Treasury that he did not want any cuts at all—quite the opposite; he now wanted an extra £2 billion spending increase for his Department.

The response from the Treasury was, I understand, curt; it was probably restricted to just two words, but there were more words in a considered response from the *Financial Times*. A leader in that newspaper—I know that the Secretary of State naturally has a great deal of respect for leader-writers at the *Financial Times*—said that

"Alistair Darling...is right to refuse this bid and should slap down"

any more of that kind of nonsense. The *Financial Times* went on to point out that

"Mr Balls is on the wrong side of the argument, as his own past...must tell him."

The Secretary of State is wrong in the eyes of the *Financial Times*, wrong in the eyes of head teachers and, crucially, wrong in the eyes of the Treasury. The truth is that the biggest dividing line in British politics is the one that divides him from the Chancellor, and the Secretary of State is on the wrong side of it.

Given how unreliable the Secretary of State has been on public spending, it is perhaps no surprise that the Chancellor wants to legislate to end budgetary waywardness from Ministers by means of a new fiscal responsibility Bill. Of course, such a law would not have been needed in the past, as the right hon. Member for Norwich, South (Mr. Clarke), a former Education Secretary, argued yesterday. He said:

"It should...be possible for the Chancellor of the Exchequer to subject the Secretary of State for Education to the normal fiscal disciplines, without having recourse to a fiscal responsibility Act of Parliament."—[*Official Report*, 18 November 2009; Vol. 501, c. 37.]

That clearly is not the case with this Government. We can all understand why the Chancellor wants to use the law to restrain the Secretary of State; indeed, given how often the Secretary of State has gone off the reservation on public spending, I am surprised that the Chancellor does not want him placed under house arrest.

The truth is that after boasting about spending increases and retreating, then offering spending cuts and retreating, and then again boasting about spending increases and retreating, the Secretary of State has absolutely no credibility left on the issue. He is the Katie Price of public spending—the Jordan of this Government. All that he is interested in is being on the front pages, so he has massively inflated what he has to offer. The past few months have left him dangerously overexposed; that means that he is in desperate need of support before it all goes south, but given his record of loyalty, it is a very brave man who would get into bed with him.

Ed Balls: I am not going to take lectures from the hon. Gentleman about people who have an inflated sense of their importance. To get back to policy, he has made it clear that he thinks that a real-terms rise after 2010-11 would be wrong; he has clarified that. Would he match our budgets for 2010-11, or would he reduce them, if he were in government?

Michael Gove: The right hon. Gentleman has no authority to speak about future budgets, because as we have heard, the Chief Secretary to the Treasury and the Chancellor of the Exchequer have contradicted him on every occasion. It is always a pleasure to hear the Secretary of State attempt to sandbag, manoeuvre or finagle the Treasury into spending more money, but—*[Interruption.]* The Secretary of State has not answered the question. Every time that he has come out to talk about public spending, he has been cut off at the knees by either the Chief Secretary to the Treasury or the Chancellor of the Exchequer, and we all know that the Secretary of State's promises are bogus.

Take the so-called September guarantee—the pledge that every 16 or 17-year-old who wants it should have a college place or apprenticeship. Why was it introduced? It was because a series of supposedly solemn promises from the Government were broken. In April this year, the Government wrote to those in charge of the nation's sixth forms, telling them that all the money that they had been promised for next year was no longer available. It was an outrageous dishonouring of commitments, a reneging on pledges to young people.

Under pressure from the Opposition—both from my colleagues and from the Liberal Democrats—the Government eventually agreed to do what every previous Government have agreed to do. They promised, as we have done in the past, funding for every 16 and 17-year-old who wanted to stay in education. The Government dressed that up as a wholly new guarantee, but in fact it was nothing more than established practice, which this Government had to be shamed into following.

Even after being exposed for failing to keep their word, the Government have not played straight with young people. The Secretary of State said earlier that their future was too important to play politics with, but that is precisely what he has been doing, because there is no new money from outside the DCSF budget to pay for the September guarantee. On "The Andrew Marr Show" this autumn, the Secretary of State was asked where the money for the guarantee would come from. He said that it would come from

"a squeeze on some...departmental bodies",

and from colleges having

"to be more efficient in their per pupil funding."

In other words, the DCSF would cut some of its existing programmes, although the Secretary of State has not said which. He will also have to give colleges a smaller sum for every student whom they take, but he will not say how much smaller.

The September guarantee is not a pledge, or a promise from the Secretary of State to get cash from the Chancellor to pay for more students; it is an order from the Secretary of State that colleges will get less per student, is it not? What is it, other than a squeeze, to say that colleges will have to be more efficient in their per-pupil funding? That is not a guarantee; it is a confidence trick, and a particularly cruel one, as colleges are now finding out.

Ed Balls: To make the matter absolutely clear, at the time of the Budget, we made an efficiency saving contribution to the Treasury. The Treasury announced new money that would be given back to us—£650 million. The Minister for Schools and Learners and I have written to the hon. Gentleman 10 times in the past four months, asking him to pledge to match that September guarantee. He cannot, because the shadow Chancellor will not let him. He should not talk about me being cut off at the knees; it is his party's shadow Chancellor who is not letting him match our budgets for 2010-11. That is the politics.

Michael Gove: That is not politics; that is drivel. The Secretary of State did not answer my question. There will be less money per student, will there not? The only way that you can afford your September guarantee is by reducing the amount of money for students.

Mr. Speaker: Order. I remind the hon. Gentleman that I do not have a September guarantee.

Michael Gove: I apologise. Please forgive me for using the second person, Mr. Speaker.

Mr. Laws: While we are on the issue of funding, may I explore the Conservative party's policy on education funding? The Conservative health spokesman—the hon. Member for South Cambridgeshire (Mr. Lansley), who is sitting next to the hon. Gentleman—has won a pledge that his party will increase health spending in real terms, if elected in the next Parliament. Did the hon. Gentleman make the same bid for additional money to the shadow Chancellor?

Michael Gove: The hon. Gentleman is kind to ask. If he would like to know more about my conversations with the shadow Chancellor—I know that he has had certain conversations with him himself—he is welcome to join us in the Conservative shadow Cabinet; he would be a very welcome addition. As it is, I suspect that freedom of information, of which we are all in favour, can only go so far. I have cordial relations with the shadow Chancellor; he is an extraordinarily helpful guy, and I am sure that the hon. Gentleman would find him good company.

Mr. Laws: I thank the hon. Gentleman for his kind offer, which I am afraid I have already declined, but I am concerned that he has not answered my question. We need to know whether he decided not to make such a request, in which case we would be concerned about his commitment to education funding, or whether he made the request and was turned down. Why, when the hon. Member for South Cambridgeshire has been so successful and triumphant, does the hon. Gentleman not seem to have delivered?

Michael Gove: When it comes to making requests for schools funding, the hon. Gentleman, whom I greatly admire, is on very shaky ground. The leader of his party said, in *The Times Educational Supplement*, that DCSF funding would be ring-fenced overall, but the next day—I think that the Secretary of State will back me up on this—he had to offer savage spending cuts. The Liberal Democrat leader subsequently said that the schools element of the DCSF budget might be ring-fenced, but that he could not give a guarantee in other areas. I have no wish to intrude on the private grief felt in meetings of the Liberal Democrat shadow Cabinet; I can only say that such matters are better ordered in our party. Even though the hon. Gentleman turned down our kind offer, it remains, whenever he wants to take it up. From the funding chaos of the Liberal Democrats, let me turn to the more profound funding chaos of the Government.

Ed Balls: Answer the question.

Michael Gove: The Government have not answered my question. The Secretary of State has not revealed whether there will be more per-pupil funding for those who are 16 and 17. Indeed, the Government's own quango, the Learning and Skills Council, has said that there is only enough money to fund an extra 22,000 places under the September guarantee, but this year, there were applications from schools and colleges for 74,000 places. There are up to 50,000 students who do not have funding for their places this year. Most schools and colleges will not want to turn those students away, but to take them on those institutions have to cut their funding even more. The Association of Colleges says that its members alone will have to take 15,000 students for whom there is no funding. In Hartlepool, the constituency of the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs, the college principal says that there are more than 50—

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): That is not my constituency.

Michael Gove: Well, your colleague, Mr. Wright.

The college principal says that there are more than 50—*[Interruption.]* Mr. Wright is the other Minister who deals with these issues. Anyway, it is sad not to see him on the Government Front Bench today.

Mr. Speaker: Order. I just remind the hon. Gentleman that Ministers should be referred to by their title and, perhaps, by their constituency, but not by their name, unless the hon. Gentleman is quoting directly from a newspaper article.

Michael Gove: I am so sorry, Mr. Speaker. I was just attempting to deal with the split-personality issues on the Government Front Bench.

In Hartlepool, the constituency of the Member who, I believe, does sit on the Government Front Bench, although he is sadly not there at the moment, the college principal says that there are more than 50 students in his college for whom he has no funding. The September guarantee does not apply to them, does it? There is a shortfall of £400,000 in the budget, and he says:

"It's crazy."

He goes on to ask:

"How can I...keep to the September guarantee if I do not know if I am going to get funded to do so? There is a good chance that I will be turning 40 or 50 students away from this college. And, given the absence of apprenticeships in this area, unless other schools and colleges take these young people, they are likely to become neets."

In Cirencester, the college principal, Nigel Robbins, has not even received enough cash from the Secretary of State to cover a shortfall from last year, when more than 100 students received no funding. This year, another 110 students are unfunded—a shortfall of £450,000. The principal is furious with the Government. He says that

"young people who fail to get a job...will...ask for a place"

in his college, and he continues:

"In the past we would have taken them."

Now, however, he says:

"This year I will be saying, 'No, sorry, there is no room. We refuse to take you...because no one is funding us for this place'."

No September guarantee in Hartlepool; no September guarantee in Cirencester.

In Scunthorpe, the college principal, Nic Dakin, has also complained. He warns that

"the situation is...very tight."

On the question whether he can accept new students, He says:

"The reality is that we are very, very full."

Mr. Dakin is not a Tory troublemaker but the recently selected prospective parliamentary candidate for the Labour party in Scunthorpe. He was chosen on an honesty ticket, because he would tell it straight on behalf of his community. He will be popular with the Whips when he gets here.

Bob Russell: Oh, he will get here, will he?

Michael Gove: If he gets here—he is not here yet. I like him, but he is not here yet, sadly. He is still telling it straight, however, because under this Government the so-called September guarantee is a con trick. Even the Prime Minister appears to think so, otherwise he would not have introduced in his speech yesterday another guarantee: the January guarantee—to join the September

guarantee and the other 38 guarantees that were already in the schools White Paper. This Government produce new guarantees at the same rate at which Zimbabwe prints dollars, and they are worth about the same.

Mr. Russell Brown (Dumfries and Galloway) (Lab) *rose—*

Michael Gove: Over to the hon. Gentleman.

Mr. Brown: The hon. Gentleman lost me somewhere during his argument, but I shall take him back, because I recognise that he is at odds with my good friend, the Secretary of State. The hon. Gentleman will not answer the Secretary of State's question about 2010-11, so will he clarify for others, with whom he may not be at loggerheads, his party's exact position?

Michael Gove: Our party's position in 2010-11 is to contest and fight a general election, win it, I hope, get rid of this discredited Government and ensure that the hon. Gentleman has more opportunities to pursue his interest in education. I am delighted that he, as the Member for Dumfries and Galloway, has come to the Chamber to sit on the green Benches. Indeed, it is striking that the Government have so little support: the only people on their Benches are Parliamentary Private Secretaries and the Chairman of the Select Committee on Children, Schools and Families. The Government have had to draft in Members from Scotland to provide the Secretary of State with support, but I am delighted that the hon. Gentleman is so interested in public spending south of the border. Let me assure him that education is safe in our hands.

Unfortunately for the Secretary of State, none of his guarantees is defensible, credible or funded. The January guarantee is supposed to give every young person not in employment, education or training a guaranteed place at school, college or on a training course, but that is what the September guarantee was supposed to offer. The Prime Minister said that, by adding 45,000 places, the new guarantee would build on the 55,000 places that the September guarantee funded, making 100,000. The truth, however, is that there are many more than 100,000 young people in need of a place at college.

Today, we discover that there is a record number of young people not in education, employment or training—more than 1 million overall, and more than at any time since the Government have been in power. There are more than 140,000 16 and 17-year-olds not in education, employment or training. How many of them will not benefit because the Government's September and January guarantees are not worth the paper they are not written on?

The fundamental problem with all these guarantees is that the Government have run out of money and are reduced to printing promises that they know they cannot redeem. They are economically bankrupt, ideologically bankrupt and politically bankrupt. They have completely run out of ideas on pushing forward reform in schools, and the Opposition parties are now making the running in the education debate: our arguments reflect the global tide in favour of more autonomy for professionals, better accountability for the public, greater choice for parents and higher standards overall.

The Government have tried to respond to the fact that the intellectual tide is moving away from them, but their response only shows how tired, exhausted and barren they are. More and more parents every year signal that they are unhappy with schools, and we propose radical change to give them more choice. Let me tell the House what the Government propose. In the schools White Paper, they state:

> "Local authorities will survey parents as they apply to secondary schools, and will ask parents whether they are satisfied with the quality and range of provision."

We might expect the Government to ask parents if they are satisfied with the choice well before they have to choose, but the lameness of the Government's response does not end there. The White Paper continues:

> "If a sufficient proportion of parents are dissatisfied".

We do not know what a sufficient proportion is—5 per cent., 25 per cent., 50 per cent? What if one parent is dissatisfied? I thought that every child was supposed to matter. Anyway, if a sufficient proportion is dissatisfied, the White Paper states that

> "the local authority should consult parents about their specific concerns and work with them to improve the choice, range, governance and type of...schools".

The question is: why has not the local authority improved things before? We all know that very often it is at fault. The local authority, as the monopoly supplier of schools in an area, may often have resisted diversity, prevented choice and stood in the way of increasing standards

According to the Government plan, dissatisfied parents should, after their own children have been allocated to a school with which they are unhappy, work with the local authority to help write a new "plan" to be published in due course—heaven knows when. When the plan is produced, it might include proposals for federating schools, expanding some schools, even opening new schools—or perhaps none of the above, because there is no requirement on the local authority to do anything quickly. However, if parents are unhappy when the proposals are introduced, what do they do? The White Paper says that they can

> "appeal to the Schools Adjudicator if they are not happy with the resulting plan, in the same way they can currently appeal about local admission arrangements."

If parents are not happy about how one bureaucracy responds to bureaucratic failure, they can ask another bureaucrat to get his bureaucracy to take a look at it. How long do we have to wait before that process starts? The Government say that later this year they will work with up to 10 local authorities to trial the approach, then use that trial to decide how things might work and further consult on its introduction.

To say that the process is advancing at a sloth-like pace is a slander against sloths, and a gross underestimation of the sense of urgency of which those gentle, leaf-eating mammals are capable. By the time the whole process is complete, the children who are in underperforming schools will be so old that they will be getting a telegram from the Queen before their A-level results.

Mr. Graham Stuart: My hon. Friend is making powerful points about local bureaucracies that too often let parents down. Does he agree that local authorities have sufficient powers to intervene if a home-educated child gives cause for concern to a local authority, either on safeguarding or on educational grounds? Does he think, as I do, that giving local authority officials with no such cause for concern the right to access people's homes is in breach of article 8 of the European convention on human rights and should be fiercely resisted?

Michael Gove: My hon. Friend makes a very good point, and he is quite right to draw attention to the fact that the Government's response to the Badman review unfortunately places many admirable home educators in the dock. We should work with people who want to home educate their children, rather than stigmatise them.

Bob Russell: I do not doubt the hon. Gentleman's sincerity. It is not what Conservatives say from the Front Bench today that concerns me, but what happens with Conservatives out there running education authorities. When 96 per cent. of parents in my constituency objected to the closure of two schools, wishing their schools to remain open under a super-head, the local Conservative-controlled education authority ignored them. What percentage would they need to get to? Even Mugabe could never dream of 96 per cent.

Michael Gove: I am grateful for the hon. Gentleman's intervention. I know that he enjoys North Korean levels of popularity with some people. I will take a close look at the point that he makes. I would be delighted to go to Colchester with him and the Conservative candidate to talk to the Conservative council some time. It is always a pleasure to spend time in Essex—

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op) *rose—*

Michael Gove: And indeed in Yorkshire.

Mr. Sheerman: As I understand it, the hon. Gentleman has supported Every Child Matters and the five outcomes for children. Does he really believe, as he implied in response to an earlier intervention, that the five outcomes should apply to 99 per cent. of schoolchildren but not to the home educated?

Michael Gove: The overwhelming number of home-educated children benefit from the dedication of individuals who have deliberately sought to forgo income and time to give them the best possible education, and I think that the Secretary of State agrees with that. I take the hon. Gentleman's point. We need to have a constructive debate about how we ensure that all children, everywhere, get the best possible support at every stage. I am grateful to my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) for raising the vital importance of not stigmatising those who choose to home educate their children. I am sure that the hon. Gentleman, for whom I have a great deal of respect, would absolutely agree with that.

One of the sadnesses of the Secretary of State's tenure in office is the fact that there is a lack of freshness, rigour and credibility in everything that he has introduced. He said that there were some good ideas in the Bill that he has introduced—yes, there are, but those good ideas are ours. For example, when enforceable home-school contracts were first proposed, he said:

"I do not think a commitment to helping children to read and behave well should be put in a contract".

His junior said:

"The Home School Agreement should not be a contract forced on parents".

Today, however, in the legislation laid before us, we have enforceable home-school contracts with penalties for recalcitrant parents. When did this conversion happen? Can we have a word of gratitude for my right hon. Friend the Member for Witney (Mr. Cameron), who first suggested this proposal? Not a word of gratitude is offered—a remarkable and, may I say, uncharacteristic display of gracelessness by the Secretary of State.

Ed Balls: If the hon. Gentleman wants to know about gracelessness, he will have seen yesterday's speech by the Leader of the Opposition in this House—that was truly graceless.

The issue on home-school agreements is whether they should be an optional condition in the admissions process that schools can use to exclude some parents and thus some pupils from going to the school if they do not sign them. Does the hon. Gentleman agree with that, and if so, does he therefore support a change in the admissions code, as the right hon. Member for Witney (Mr. Cameron) proposes?

Michael Gove: Yes, we think that home-school contracts should be enforceable. That is why the right hon. Gentleman, having resisted them, has now embraced them.

According to the Secretary of State, new parenting orders have been introduced in the Gracious Speech. He says that they are new, but he clearly does not understand the history of his own Department, because parenting orders have been available to local authorities since 30 September 1998. The Education and Inspections Act 2006 allows schools to apply directly for an order. Schools and local authorities can also apply for an order earlier, prior to exclusion, following serious misbehaviour which, if continued, would warrant exclusion. However, despite the fact that those powers and their extensions have existed since at least 1998, not a single school has applied for a behaviour parenting order since September 2004.

The problem is that in every respect the Government's proposals are either incredible or, if they have merit, borrowed. All their much-heralded guarantees are literally incredible. I suspect that few people are keener on the arts than me. I know that the Secretary of State has a deep love of music, but how does he intend to make legally enforceable in the courts his guarantee to five hours of good-quality cultural activity? Are we going to arrest head teachers who cannot get the Royal Philharmonic to play at assembly? Are we going to fetter good head teachers by taking money from schools and giving it to lawyers so they can be sued?

Mr. Laws: The hon. Gentleman is perhaps being slightly unfair to the Secretary of State on the culture guarantee. That supposed guarantee says that

"every pupil should have access to high-quality cultural activities in and out-of-school, with an aspiration that, over time, this will reach five hours".

Is not the real criticism that that is a pretty meaningless commitment?

Michael Gove: Absolutely. I was inclined to be generous to the Secretary of State, but that guarantee is meaningless, like so much of the content of his speeches.

Let us look at the guarantee of one-to-one tuition for every child who is falling behind. That is admirable in principle, but how many children does it cover—every child below average, or half the children in the country? The original promise intended to deliver one-to-one tuition for every child who has fallen behind, but we

heard yesterday that it would now provide for one-to-one or small group tuition. Can the Secretary of State tell us which it is to be—one-to-one or small group tuition—and to how many children it will apply?

Ed Balls: In 2010-11, we will deliver one-to-one or small group tuition. For a child who falls behind in key stage 2, the commitment is to one-to-one tuition, and for a child in year 7, the commitment is to one-to-one or small group tuition. Some 600,000 pupils will get one-to-one tuition. We can deliver that because we are funding those budgets for 2010-11. We now know that the hon. Gentleman cannot match that because he cannot support the 2010-11 budgets. We can deliver those 600,000 places and he cannot, as parents around the country will know as a result of this debate.

Michael Gove: I am grateful for the Secretary of State's acknowledgement of that retreat—another of his retreats—from the original promise. The commitment is no longer to one-to-one tuition but to one-to-one or small group tuition. The problem with the Secretary of State is that all his guarantees and commitments are literally incredible because he does not have backing from the Chancellor of the Exchequer, nor does he have the resources to deliver, nor the originality of policy.

The Secretary of State could give guarantees today that would be credible and welcome and that we would unhesitatingly support. He could guarantee, as we would, that children in comprehensives would have access to the same high-quality exams as those in private schools by lifting the ban on state schools doing the rigorous international GCSEs in English and maths. He could guarantee, as we would, that every child who can do so is reading fluently after two years of primary school by introducing a universal national reading test to ensure that all children are decoding fluently and that dyslexic children are identified early. He could guarantee, as we would, to raise the prestige and esteem of teaching by saying no one with poor GCSEs or a poor degree could become a teacher. He could guarantee, as we would, to deal with failure in more of our poorest schools by promising to take quickly the 100 worst out of local authority control.

The Secretary of State could guarantee, as we would, to improve behaviour by giving teachers more powers to keep order, as well as greater freedom to search pupils and to ban disruptive items. He could guarantee, as we would, to give teachers proper protection from false allegations and to give heads the power to exclude violent children without being overruled. He could guarantee, as we would, to get more great graduates into teaching by expanding the Teach First scheme. He could guarantee, as we would, to make more superb graduates heads of department and head teachers by expanding the Teaching Leaders and Future Leaders programmes. He could guarantee, as we would, to give all heads more freedom and control by allowing all high-performing schools to become academies. He could guarantee, as we would, more choice and improved standards in primary schools by allowing primary schools to become academies. He could even guarantee, as we would, a system of funding for pupils which concentrates resources on the very poorest.

Sadly, however, the Secretary of State opposes all those guarantees, which is why he cannot guarantee what parents, children and schools need most of all: a Government relentlessly committed to raising standards, with the poorest helped most of all; a Government determinedly focused on supporting teachers, with the powers that they need delivered without delay; and a Government unreservedly on the side of parents and children against bureaucracy. The only way that we can get such a Government is through a general election—it cannot come soon enough.

12.39 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): It is sometimes difficult for the Chair of a Select Committee to make a speech in a Queen's Speech debate, particularly if it is a very busy Committee that is about to produce major reports on a number of issues that are touched on in the Queen's Speech. As you will know, Madam Deputy Speaker, that inhibits some of things that one can say. Let me allude to the fact that we are about to produce major reports on school accountability, on the training of teachers and on home educators, as well as much else.

There is another difficulty with being the Chairman of a Select Committee. Everybody knows that I am a Labour/Co-op Member of Parliament, but I have a job as Chairman of the Committee on Children, Schools and Families to call the Secretary of State and the Government to account on a range of issues. Often, people may think that I criticise the Government too much when I appear on radio and television and in newspapers, but that is part of my job. However, to set my remarks in this debate in context, I believe that the Government, in many areas, have profoundly improved the educational situation in our country and made a very real difference to our children.

I shall give four examples of that, the first of which is an underrung part of the Children Act 2004, which introduced Every Child Matters and the five outcomes, which I asked about in an intervention and which I believe should apply to every child in our country. The Act was a triumph and it has made so much difference because every time we discuss children and education, we can refer back to it as a benchmark. I shall go into the five outcomes in detail in a moment, but are they being delivered for every child in this country?

The 2004 Act is good, landmark legislation of which we should be proud. It is set in the context—this is indisputable—of more money spent on education per child than ever in the history of our country. That is something to be proud of. That does not mean that I am always persuaded that just money delivers real change. Money delivers the possibility of change, and we have seen many advances from using the enormous amount of money that is now spent on our children and state schools.

I also put on record my great approval for evidence-based policy—my Committee has come across it in a number of inquiries. The fundamental of evidence-based policy, across the nearly 10 years that I have chaired various education, children and schools Committees, is that, as we know, the earlier we intervene in a child's life, the better. The more money spent, and the earlier it is spent, the greater the difference to the child's life and the educational outcomes in our country, so I approve of it.

The Committee very often agrees across the parties on many of those evaluations and judgments. We disagree profoundly with each other at other times, but there is a great measure of agreement. I can bore the House again

[Mr. Barry Sheerman]

by saying that if we look at education policies and change—perhaps from as far back as Butler to Balls, or from Baker to Balls—we see far more cross-party agreement on educational matters in our country than the earlier exchange between the two Front Benchers might suggest.

Of course there are disagreements on how much money we spend and, at particular times, on fundamentals, but very often some of the greatest advances in education policy have been made on a relatively bipartisan basis. The Education Act 1944 was the subject of cross-party agreement, although the Committee on it was led by Rab Butler. I remind the House that the Dearing report from 1997 is another example of real progress being made through agreement across the House.

I am giving an overview before we evaluate particular aspects of the Queen's Speech. This is the first time in my time in the House and my experience of education that I can see an end to the silo in 14-to-19 education that marked off the academic route—the route from GCSE to A-levels and university—as the only prized route. The reforms might have gone further, and I have always been a supporter of all the Tomlinson recommendations.

Bob Russell *rose—*

Mr. Sheerman: I shall give way in a moment.

However, we now have, from 14 to 19, real alternatives for young people in our country—the academic, diploma and apprenticeship routes. They are not in silos. Those young people can not only choose between those routes, but cross from one to the other.

I must tell the House about the inspirational apprentice who gave evidence to the Skills Commission. This bright young fellow from the north-west, pushed on why he chose an apprenticeship, said, "Well, I've joined BAE Systems. It's a very good company and they're paying me to do my apprenticeship. I'm getting paid and incurring no debt. When I get to a certain stage, I'm going to go and do a degree as well." That was refreshing, and we hear similar things all the time—we have transformed for many children how they see their 14-to-19 possibilities.

Mr. Graham Stuart: The Chairman of the Select Committee makes a powerful point. One would like a joined-up system with the ability to move between the different routes, but does he share my concern that the Secretary of State, in introducing diplomas, has failed to deliver that programme in the way that the hon. Gentleman and I would like; that the numbers taking diplomas so far have been alarmingly low, at enormously high cost; and that there are real risks attached to that very important initiative?

Mr. Sheerman: The hon. Gentleman is a very good member of my Select Committee. I am going to desist from responding to that question. People watching this debate might think that there has been enough hurling of alternative policies and criticism one to the other. I am a great believer in diplomas as, I think, is he. There will be teething problems if a totally new qualification is introduced. I would not underestimate those problems, but I wish diplomas well and hope we get through that stage. Everyone recognised that there would be a transition time.

Kevin Brennan: Does my hon. Friend agree that it would give more credence to the diplomas that the hon. Member for Beverley and Holderness (Mr. Stuart) says he supports if the Opposition said that they would not pull them out of their league tables and if they included them as an achievement by the school?

Mr. Sheerman: I hear what my hon. Friend says and I have a measure of sympathy for that point of view.

Before I am interrupted again by a Front Bencher, I must point out one last great achievement for which there should be greater all-party support—raising the participation age. I have always championed that and believed in it. I shall return to the Every Child Matters theme in a moment, but in this country, we consider people children until they are 18. That gives enormous protection to children, but it also means, when we are talking about raising the participation rate, that no child, until they are 18, should be allowed to go out into the big, wide world and work with no training or to be unemployed—that is absolutely right.

I celebrate the fact that we are going to move the participation age to 17 and then to 18. That means not raising the school leaving age, but that every child must be in education, further education, an apprenticeship, in work with training, or in experience with training. That is a great step forward and I urge all parties to support it. It not only takes us deeply into the 21st century, but makes us competitive with nations that have similar commitments.

Bob Russell: Will the hon. Gentleman give way?

Mr. Sheerman: Yes, indeed. Is the hon. Gentleman going to make the same point to me that he has made to all the other speakers?

Bob Russell: The Chairman of the Committee rightly praises the development of the 14-to-19 non-academic qualification. Does he agree, however, that that programme would be even more successful if there were not more than 100 colleges around the country whose promised building programmes have been halted? If the Government delivered what they promised, would that policy be more successful?

Mr. Sheerman: I hear what the hon. Gentleman says and many of us wanted money for our further education colleges. I am in the happy position that Kirklees college in Huddersfield got its money—I put my cards on the table—but I must also tell him that, as Chairman of the Committee, I know that in this past 12 years, 50 per cent. of the FE estate has been totally renewed. Since the time when the FE estate was crumbling around everyone's ears up to 1997, we have seen it transformed.

Sitting where I sit, I have seen standards of education in our country progressively improve over the past 10 years. We can have argy-bargy about it, but that is the truth of the matter. There has been substantial improvement. I know that hon. Members like to jump up and say, "But we haven't done as well as Finland or Sweden," or wherever, but if we compare this country with similar ones such as Germany, France, Spain, Italy or the United States—big industrial countries with high turnover, migration and all the rest—we see that we have done pretty well. We in this Chamber sometimes ought to congratulate ourselves on what we have done

rather than always say, "We could have done better than Finland." Perhaps we could, but Finland is a funny, quirky little country.

Mr. Graham Stuart: It would be easier for Liberal Democrats and Conservatives to be kind and give that congratulation if we did not have, as I do in Beverley, bomb sites where FE colleges were supposed to be. All 16 colleges that were funded are in Labour constituencies, and the hon. Gentleman must surely be uncomfortable about that.

Mr. Sheerman: I hear what the hon. Gentleman, a member of my Committee, says, and I am not going to rise to it.

I have given the context, and I now want to be critical of the Government. I do not want to get too much into school accountability, but the Queen's Speech addressed it directly in a number of ways and I suggest to my party's Front Benchers that there are some concerns. I am not saying that what was in the Queen's Speech was all bad, but when we consider what school accountability is about, people say, "Well, that means Ofsted, doesn't it?" It does not. It means all the people involved in the school improvement process, such as the governing body—we underrate governing bodies and all the wonderful people who give their time and effort to be school governors—school improvement partnerships, local authorities and the whole range of bodies that call schools to account. Of course it covers Ofsted, and it also covers how testing and assessment are turned into school tables and published. Schools are accountable in a whole range of ways.

Sitting where I do, I sometimes think that we make schools so accountable that we paralyse them from action—not entirely, but it is a question of balance. Those of us in the House who take an interest in education will know that when the Department for Children, Schools and Families was set up, the remit of our Committee changed. It is a difficult remit, because it is not a tidy departmental responsibility. Matters to do with children, schools and families stretch across at least 10 Departments.

The Committee wanted to consider three things about school accountability, which are what most people think of as the three great educational reforms in the past 20 years. They date from about Lord Baker's time, although they are not all associated with him. We all know them. The first is testing and assessment, and I remember that people always used to say that Ken Baker, as he then was, had read "The One Minute Manager", which said that if something cannot be measured, it cannot be managed. They said that that was behind the great fashion for testing and assessment that has run through this country's education for the past 20 years.

The second matter that we wanted to consider was the national curriculum. Everyone in the Chamber will know that we believed that although the inspiration behind it was right—testing and assessment had gone too far—it was too crowded and needed greater flexibility. We said that the pendulum should swing back in the other direction.

The third matter was school accountability. I cannot go into too much detail about what we are going to say about it, but I shall give a tiny bit of the flavour of our analysis. School accountability should lead to improvement both in schools and in children's well-being and outcomes. Too often, schools focus on the former rather than the latter. They focus just on examination results rather than on the other things that we do for children in schools, which are broader than just the number who get good GCSEs.

Any Government have to get their message clear, because it is not school buildings or testing and assessment that improve the quality of education that children get. The quintessential element that improves their education is the quality of the teaching that they get. It is not rocket science, is it? It is about the quality of the teachers and of the leadership and support of the teaching team. In everything that we do, the priority should be investment in high-quality teachers. We have seen more investment in teachers and some really good change in the quality of people coming into teaching and being retained. It has not gone far enough, but it has gone pretty darn far.

Teaching staff want some stability in their lives. It looked as though the new relationship with schools would bring about a real change in what schools faced, such as a simplification of red tape, rules, regulations and so on. I say to my right hon. Friend the Secretary of State that although some simplification has flowed from it, there is still a bewildering array of new initiatives. That has partly negated all the good stuff in the new relationship.

We have also had the Government's "21st century schools" White Paper, which signalled even greater complexity in many ways. Additional statutory duties on governors are coming through, and there was the national challenge, which was mishandled in some ways. There were good intentions, but initially the wrong view was given to many schools about the value that they were adding to the educational process.

We have not yet written up the final report on school accountability, but my own view is that the strong thing about evaluation in schools is their self-evaluation. That is important both in how Ofsted approaches the running of a school and in a school's quality. However, we have yet again seen the role that Ofsted plays. Self-evaluation started and it told our Committee, "We want self-evaluation to be innovative and imaginative. We actually have schools that make videos of what they do." However, I think I visit more schools than anyone in the Chamber—the Secretary of State has probably overtaken me, but if he ever moves on to a new job I might still be here and going to schools, as I have been for 10 years—and I find that everyone says of the self-evaluation form, "They say you don't have to fill this in, but I'm not going to be the one who puts their head above the parapet and does not fill in the form in the way that Ofsted says".

The Committee and I will look very carefully at the Queen's Speech and the guarantees that have been announced. There are some very good ones, and I hope that we will find a system that is less onerous on schools, gives them more power of self-regulation and takes some of the load off them in areas where they have been getting too many complex messages.

We have the right to point out in this debate something that was missing from the Queen's Speech. As Chairman of the Children, Schools and Families Committee, I have learned a great deal about child protection. There have been tragic cases up and down the country, including the murder of children and dreadful things happening to them in extreme cases. A worrying number of vulnerable

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children have come to dreadful ends and been dreadfully treated in our country. It is a small percentage, but it much concerns everyone in the field.

Child protection is a vital element of the work of the Department and the Select Committee, but I would have liked today's debate to have touched on the protection of childhood. We have an interesting and laudable ambition for the eradication of child poverty by 2020, and I celebrate that, although it will be darn hard to achieve, because the goalposts will move all the time. It will be a great struggle, although some very good things have been achieved already.

I want to talk, however, about the poverty of childhood. When I started talking to, and being lobbied by, people, as Chairman of the Committee, I felt some reluctance toward those who said that we were truncating and squeezing childhood and that the pressure on children in our country was intolerable. However, having considered the matter, I think that it is true. The commercial world impacts on children. They are seen as a soft target for advertising and are pressured into growing up too young: they are pressured to adopt fashion accessories too young and to have mobile phones and accessories and so many other things too young. Often they are pressurised by advertisers.

I have said this to the Secretary of State before: to have a Cabinet colleague who believes, in an age of childhood obesity, that we should relax the rules on product placement seems damn crazy. I believe that very strongly. The pressures on children from commercial advertising alone are already great, without their getting even worse.

Mr. Nigel Evans (Ribble Valley) (Con): The hon. Gentleman has touched on an interesting theme. Would he agree, however, that with so much pressure on young people, the wonder is that so many of them turn out really well? In the main, they get a bad press, but more than 99 per cent. of them do valuable work, including charitable work, and get on with their lives splendidly. A disproportionate amount of press coverage is given to the rotten apples.

Mr. Sheerman: The hon. Gentleman is right, and he knows that I agree with him.

Another aspect of childhood today is sexual awareness. Our country still has worryingly high rates of teenage pregnancy. The life of a girl who gets pregnant very young is more or less likely to be destroyed—she will probably always be poor—but we do not take that seriously enough in this country.

The country is also awash with a focus on early sexual activity. I talked recently with members of another Select Committee who had looked at the amount of pornography on the internet available to children. That disturbs me greatly. An inquiry has been conducted into that—*[Interruption.]* An hon. Gentleman is laughing, but I think that the accessibility of pornography to children in our schools is a serious matter. When I go to infant schools, teachers say to me, "Children come here, at five and six, simulating sexual behaviour that they should know nothing about." That is disgusting.

I was angered the other day when I read that Rupert and James Murdoch wanted to turn BSkyB into a more trusted and loved broadcaster than the BBC. Two days before, I had read that the Murdoch empire is not only the biggest carrier of pornography in the world, but has now bought a major supplier and maker of pornography in the United States. I do not know what "trusted" and "loved" meant, but a company that makes such filth available to children does not impress me. Our children should be protected from pornography, whether it is on BSkyB or the internet. Childhood should be protected.

I shall say something that Government Front-Bench Members might not like. I talked earlier about the age of 18 being the age at which children cease to be children. I shall return to the Government's guarantees set out in the Queen's Speech, but first I remind the House of the five outcomes—the guarantees of childhood—in "Every Child Matters": to be healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic well-being. There is nothing wrong with those.

I would like, however, to say one thing to Front-Bench Members and, given the opportunity, to the Prime Minister. In an answer during Prime Minister's questions last Wednesday, the Prime Minister said that he now believes in votes at 16. I think that that fashion started with the Liberal Democrats, but the Prime Minister and the Leader of the House now seem to believe it too. However, I think that we should think extremely carefully before moving to votes at 16—it would mean adulthood at 16 and the end of the protections of childhood between 16 and 18.

Many of the things that I speak about are based on evidence sessions and intensive consideration of a subject. The first inquiry last year was on children in care and looked-after children. Having seen the vulnerability of 14 to 16-year-old children, and that of 16 to 18-year olds out in the world who are open to every kind of exploitation, we realised at the end of the inquiry that we do not want the protections of childhood to finish at 16. We lose those protections at 18 to our cost as a society.

I have commented on what I liked about the Queen's Speech—it contained some very good things—and it is my Select Committee's job to ensure that they measure up to the way that they were promulgated in the House yesterday and today. There are one or two things that I wish had been in the Queen's Speech, but hon. Members can be assured that Select Committee members will consider promulgating those ideas in the coming months.

1.7 pm

Mr. David Laws (Yeovil) (LD): I congratulate the hon. Member for Huddersfield (Mr. Sheerman), the Chairman of the Select Committee, on his speech, which has taken us a little closer to touching on some of the issues that we will need to debate when the Children, Schools and Families Bill passes through the House, presumably in a few weeks' time.

I agree with many of the points that the hon. Gentleman made in his speech, which covered a wide range of areas, and I have no doubt that he and I would agree with something that the Secretary of State said earlier: that when an organisation has failing leadership, there is a duty to intervene to deal with it. I believe that the

hon. Gentleman supports that policy, not only in schools, but beyond schools, and I suspect that if his advice were taken by his party, it would have a good deal more impact in motivating the electorate and, apparently, Labour Members than the 38 guarantees given by the Secretary of State, which we are supposed to be debating today.

The Liberal Democrats believe that we should not be debating this fantasy Queen's Speech programme of Bills, some of which should not be matters for legislation, such as the fiscal responsibility Bill, which the Secretary of State touched on, and some of which will be unlikely to be passed into legislation before Dissolution, which I suspect will be in March. I strongly suspect that the Children, Schools and Families Bill, which covers a large number of areas, is one of those that might struggle to receive proper scrutiny in this place and another place. It might well fail to pass, therefore, before the end of this Parliament, although I think that most people outside this place, in particular those involved in schools and colleges, would welcome the Bill not getting on to the statute book.

In our view, we should instead be using the last months of this Parliament to tackle and focus on issues of political reform, on cleaning up Parliament after the expenses abuses earlier this year and on tackling the two big areas that largely do not require legislation: the situation in Afghanistan and the state of the economy, to which the Government will return in the pre-Budget report.

I want to focus in particular on the education issues that are likely to emerge from the Bill, accepting that, however much we regret its inclusion in this fantasy Queen's Speech, we will have to play our part in scrutinising it over the weeks and months ahead.

Mr. Graham Stuart: I may be pushing the hon. Gentleman further ahead in what he wants to address in his speech, but does he agree that neither the Badman report nor the Government have made the case that there is sufficient risk in home education to justify compulsory registration or giving local authorities the right to enter people's homes and question children when there has been no trigger to cause concern? That needs to be opposed as fundamentally illiberal.

Mr. Laws: The hon. Gentleman correctly anticipates the comments that I want to make in my speech. I am not sure that I fully agree with the extreme position that he takes on the Badman review, if I may characterise it that way, but we certainly have some concerns about how the Government are going to implement it, which I want to touch on later.

Ed Balls: This is the second time that we have had an intervention on that point, so I just want to clarify it. When the hon. Member for Beverley and Holderness (Mr. Stuart) reads the Children, Schools and Families Bill, he will see the detail, which may be helpful. Local authorities have the right under existing legislation to enter the home where a child is at risk and there is a concern about safeguarding. On the quality of education—that is what is new in the Bill—the Bill makes it clear that there is a right to see the child on their own only with the permission and agreement of the parent and the child. There is no right for the local authority to enter the home or see the child without their agreement. That is clear in the Bill. It is important that the hon. Gentleman is educated about that before we take the debate any further, because home educators watching this debate on television might think that what he has said is correct. It is important to clarify that it is not correct.

Mr. Laws: I am grateful to the Secretary of State for that clarification. As we have been drawn into discussing the Badman review rather earlier in my speech than I had intended, all I would say now is this: first, we accept the Government's approach of saying that it is sensible for all those who are home educating to be registered. That is a reasonable minimum requirement. Our concerns, which will need to be debated when we scrutinise the proposals in detail, is whether the registration process will involve imposing a central vision of education by the back door. We are concerned also that home educators have gained the impression that there is seen as being a particular relationship between home education and child protection, which has caused a lot of anger throughout the country. The Government may not have intended that, but that is certainly the impression created by the Badman review.

We will also want to debate carefully the issue that the hon. Member for Beverley and Holderness (Mr. Stuart) raised and the Secretary of State touched on, which is what powers local authorities should have and what oversight they should have of home education. I would hope that in most cases a light-touch approach would be taken, but most Members would also want to ensure that in extreme circumstances, where local authorities have genuine concerns, they should have the powers to ensure that parents are doing the job that they are claiming to do. Local authorities may have powers in relation to child protection; we will debate whether they have them in relation to oversight of the education provided.

Mr. Graham Stuart *rose—*

Mr. Laws: I will give way to the hon. Gentleman one last time, since he has managed to draw me into this issue so early in my speech.

Mr. Stuart: I am grateful to the hon. Gentleman. I put it to him that local authorities do have that power. If they have cause to believe that a suitable education is not being provided to a child, they can take action and seek a school attendance order for instance. Local authorities already have that right; the question is whether we should give them the right to make such judgments without any trigger of concern.

Mr. Laws: The hon. Gentleman is right that local authorities already have some powers. However, the debate that he is trying to encourage now, at quite an early stage in the Bill, is one that we need to return to later, because the issues are quite detailed.

The first thing that I wanted to say, before getting drawn into the details of the Bill, is that it is extraordinary and depressing that we should be debating an education Bill only one week after concluding the debate on the previous education Bill and approving it. Yesterday we had the extraordinary situation of the Secretary of

[Mr. Laws]

State's Department issuing a press release on what the new education Bill will include. It confirmed that the Children, Schools and Families Bill, as it is called, will make amendments to nine separate Acts since 1996, one of which is the Apprenticeships, Skills, Children and Learning Act 2009, which we passed one week ago and most of which has not even been implemented.

Does that not confirm the criticism of people involved in education throughout the country that the Government are addicted to legislation and bureaucracy, and cannot even wait until previous measures are embedded before they start legislating for new proposals? After all, we are talking about the 12th education Bill that we have had in 12 years of this Government. It is most people's view—although not, apparently, the Secretary of State's—that that degree of legislation says something not about the Government's commitment to education, but about their failure to get the basic frameworks right and then allow the education system to develop in a devolved way. Instead, we have the extraordinary tide of bureaucracy contained in the Bill, most of which is essentially about just that, which threatens to swamp most schools in the country.

Earlier the Secretary of State tried his best, as he normally does, to set up one of his dividing lines, with the Conservative party and others on one side of it. However, he is surely aware that the dividing lines are between himself and virtually everybody else involved in education. For instance, the other day the respected secretary-general of the Association of School and College Leaders criticised most of the measures in the Bill in very blunt terms, and particularly the guarantees. The National Union of Teachers, which is not normally associated with the forces of the right, was equally critical of many of the guarantees in the Bill, as well as other aspects. I could also mention the National Association of Head Teachers, and the list goes on.

Ed Balls: I take very seriously the interests and views of the NAHT, the NUT and the Association of School and College Leaders, as the hon. Gentleman does. However, I am sure that he would agree that, as well as listening to the views of teachers and the profession, it is important that we stand up for the rights of children and parents. The change to the Apprenticeships, Skills, Children and Learning Act 2009 does not affect schools directly. We now have a power under the 2009 Act to ask local authorities to consider issuing a warning notice. The new power will say that if they refuse to do so, we can issue one ourselves, if we believe that a school is consistently underperforming. Does he think that that is the right approach or does he prefer the "let the free market rip" approach proposed by the Conservative party?

Mr. Laws: On the Secretary of State's latter question, there must be strategic oversight of schools at some level, although I am not sure that I agree at all with the Government's approach. My point was that if they wish to legislate on the issue, they should have done so in a coherent way in the previous education Bill, not by having the debate twice. When he says that the NUT and NAHT are not the only ones involved, I would refer him to what some of his own Back Benchers have been saying. He says that he respects very much the views of the NUT and the ASCL. Perhaps he also respects the views of the right hon. Member for Norwich, South (Mr. Clarke). I am not sure whether the Secretary of State heard the right hon. Gentleman's interesting speech yesterday, in which he even got a mention. However, in case the Secretary of State did not hear it, the right hon. Gentleman said that those guarantees

"owe less to good government than to a premature expectation of defeat in advance of the general election."—[*Official Report*, 18 November 2009; Vol. 501, c. 37.]

The dividing lines therefore seem to be dividing the Secretary of State not from one faction in the House of Commons, but from virtually everybody involved in the education debate.

Before I come to the important issue of guarantees, let me make it clear that the Liberal Democrats are certainly not opposed to having some core standards for public services, for which those services can be held to account. Indeed, my hon. Friend the Member for North Norfolk (Norman Lamb) proposed a standard whereby if the NHS has not delivered treatment within a certain period, it should have the ability to pay for the patient concerned to go into the private sector. However, there is a big difference between such a guarantee, which is meaningful, deliverable and funded, which does not seek to micro-manage, which avoids bureaucracy and which focuses on the outcomes and not the inputs, and the list of guarantees that the Secretary of State has come up with in the Bill. The Bill contains 38 guarantees that are united only by the fact that most of them are either meaningless, undeliverable, bureaucratic and meddling or focus on inputs. As Peter Riddell said in *The Times* this morning, guarantees without funding, some of which I want to return to, are not worth the paper that they are written on.

The issue is not only whether pupils and parents will be deceived by the guarantees, but whether, in trying to implement some of them and force their delivery, we will end up creating enormous bureaucracy, encouraging a vexatious system that will draw many parents into going to the ombudsmen and drawing the ombudsmen into debates that they are unfit to participate in, given the scale of their resources and their ability to rule on such issues.

I draw the Secretary of State back to a debate on some of the guarantees that he is proposing. They seem to me to fall into a number of categories. The first category consists of those that are meaningless or vague, and therefore pretty worthless. Earlier today, I raised with him pupil pledge 5 from the White Paper. I do not think that I had an answer from him on that point, so I will put it to him again. That pupil pledge says that every 11 to 14-year-old should enjoy

"relevant and challenging learning in all subjects"

and develop

"their personal, learning and thinking skills so that they have strong foundations to make their 14-19 choices."

Apparently, that will be phased in by September 2010.

Can the Secretary of State tell us whether there are any schools in the country that are currently failing to deliver that pledge, in his view? If any parent went to the ombudsman to challenge that pledge and whether it was being delivered, they would find that the ombudsman would conclude that it is utterly meaningless and therefore utterly unenforceable. Is there any point creating supposed guarantees that cannot be enforced because nobody knows what they actually are?

We also have a whole series of guarantees that seem to bring in an unwanted level of bureaucracy. Pupil guarantee 15, for example, says that

"every pupil identified as gifted and talented receives written confirmation by their school of the extra challenge and support they will receive, by September 2010".

Is that really a level of bureaucracy that we want to impose on schools? If we in this place actually believe what the Government constantly tell us—that every child matters—why try to pick out one small group of youngsters and associate such a measure with them, rather than assuming that the ability to serve the interests of all youngsters should not be relevant to all young people in schools and colleges?

On the issue that was debated a second ago with the Conservative spokesman, parent guarantee 5 says that once a child is in school, their parents will be expected to sign a home-school agreement each year. Is the Secretary of State really suggesting that every parent whose child goes to an English school should be required to sign a home-school agreement, and that that should take place each and every year of school? If so, that also involves a level of bureaucracy that is totally unnecessary and would be unwanted and wasteful for the vast majority of schools.

We come to the category of pledges that are probably undeliverable or are phrased in such a way that it would be almost impossible to decide whether the Government have met them. The supposed pledges made on sport and culture fall precisely into that category. Pupil guarantee 17 is supposed to guarantee

"five hours...of high-quality PE and sport per week, in and out of school",

yet we know that for 75 per cent. of children, that standard is not met at present. That pledge was supposed to have been delivered by September 2009. Can the Government say whether that is the first of the guarantees that they have failed to deliver? Their own statistics demonstrate that they are not delivering it today.

What could any ombudsman make of the supposed guarantee on access to cultural education? All that it actually says is that

"every pupil should have access to high-quality cultural activities in and out-of-school, with an aspiration that, over time, this will reach five hours a week for all".

Does the Secretary of State really think that any parent who sought to challenge that guarantee—guarantee 19—could get any serious conclusion from an ombudsman on whether it was being delivered? I put it to him that it is phrased so as to be completely meaningless and unmeasurable.

I return to an important guarantee, pupil guarantee 13, in this extraordinary list of 38 different supposed guarantees. The guarantee relates to one-to-one tuition in English and mathematics. Is that really the best way to deliver additional support to those youngsters for whom additional support is crucial? We have argued for a pupil premium to deliver additional resources in schools to help the most disadvantaged get up to the right level in terms of the basic skills that we expect them to have before they leave primary education and, unlike the Conservative party, we propose to fund it. Any pupil premium introduced in an environment where there is no overall increase in funding is simply undeliverable, because no Government of any party would be willing to take money away from schools to fund others.

Is the pledge of 10 hours' free one-to-one tuition a sensible way to deliver support to youngsters who, after all, will have very different problems? The youngsters who fall beneath the threshold for intervention will include some who are very close to it and some who are disastrously far from it and will probably never meet it because of the nature of their special needs. In the modern world and the 21st century, what type of Government, other than one with the instincts of a Soviet Government of 50 or 100 years ago, would really think of prescribing centrally that the same number of hours, 10, should be delivered for all such youngsters, regardless of the views of teachers and head teachers on what they need, regardless of the need for flexibility to deliver in different-sized groups and regardless of whether some youngsters might need 20 or 25 hours and others with considerably fewer challenges might need only four or five?

Surely that is the kind of pledge that gives the Government such a bad name for trying to impose such solutions from the top down. I hope that we will hear further responses on the matter from the Government next year, when they complete their review of deprivation. Surely the right answer is to introduce a fair system of funding for schools that delivers more, particularly to deprived youngsters, and then to allow the schools themselves to deliver the standards that need to be set nationally in a light-touch way and enforced by Ofsted.

Ed Balls: I look forward to the debates that will happen in Committee. We will set out more details on how we will implement the guarantees as we take forward the White Paper in advance of that. As usual, the hon. Gentleman is making serious policy points. The point that he made about the pupil premium is absolutely right. A pupil premium could lead to more or less resourcing going to a school with more disadvantage, depending on what else is happening to school budgets and the school formula. Simply saying that one wants a pupil premium could be consistent with major and substantial cuts, so it is an important point. However, a pupil premium where money went to the school based on the number of disadvantaged pupils would not guarantee that the pupils with disadvantages or extra needs would actually get the support that they need.

We are not saying that there has to be detailed prescription; we are saying that it should be for the school to make the decision in year 7 about a pupil who is falling behind. But we are saying that there should be a minimum entitlement of at least 10 hours for any pupil who has not got to level 4 at the end of year 6. If we do not do that, parents cannot know that their child with greater need will get greater support. How that is delivered—singly or in small groups and over how many hours—is a matter for the school to decide, but unless we set a minimum entitlement, how will we know that the pupil will get the support that they need?

Mr. Laws: The Secretary of State raises a serious issue about how we achieve accountability for money that goes to schools, but his solution is still entirely the wrong one. The problem with him—this is what divides his grouping within the Labour party from my party and, to a certain extent, from the Conservative party, although the Conservatives have different ideas about the amount of devolution that should apply to schools—is that he believes, ultimately, that the man in Whitehall

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and Westminster knows best. There is no better version of the man in Whitehall and Westminster who thinks that he knows best than the Secretary of State.

Because the Secretary of State thinks that he knows best, he thinks that the only way that schools can be trusted to deliver on such matters is for him to tell them precisely what they will have to deliver. The problem with that is that no Secretary of State can reflect from one desk in Westminster and Whitehall all the requirements, complexities and particular circumstances of 23,500 schools and 11.5 million pupils. He has gone way too far in this particular supposed guarantee in imposing a one-size-fits-all solution from Westminster and Whitehall. That is the wrong way of holding schools to account.

Ed Balls: I apologise to Members of the Conservative party, but this is the serious debate about policy that we did not have earlier from the hon. Member for Surrey Heath (Michael Gove), so I would like to engage in it. There is an issue here. I agree that we have to make sure that we get more flexibility and power to head teachers and teachers, but at the same time, parents want to know that their school will be a good school and that if their child falls behind, they will get extra help. How can we ensure that that will happen without the right combination of accountability for the progress of every child and without telling parents that their child has a right to extra support? If we simply leave it to local decision making—or, as we know from the Conservatives, basically opt out entirely from the national curriculum of the state system and have a much more market-based free-for-all—it might work for some children, but how can we guarantee that a child from a particularly disadvantaged background whose parents may be less engaged will get the necessary support? How can we make sure that we deliver social justice in that way?

Mr. Laws: We can never ensure that we deliver social justice by trying to prescribe from Westminster and Whitehall a system that will fit every school and every child in the country. What we can do is ensure that an individual school has the funding it needs and then that the school is held properly to account for what it does with the money. The Government's job, it seems to me, is to put in place a system of oversight and inspection that will then hold schools to account for the money they get. That is very different from telling schools how to spend that money.

Ed Balls: I accept that. We are having a legitimate debate about how we frame these guarantees to get these matters right both in terms of funding and how they are specified. I agree with the hon. Gentleman, but does he agree that telling schools to opt out of the national curriculum, to stop being part of the state school system, to not accept the accountability that comes from the report card and then basically to sink or swim depending on whether the school is a good one, is totally unfair, unjust and would leave many children substantially disadvantaged? Does he agree on that point, even if we can debate our differences about the guarantees?

Mr. Laws: The Secretary of State is trying to draw me into agreeing to something. Even though we would like to see a much more devolved system of education with much more freedom for schools, I agree that we will never end up delivering high school standards in the foreseeable future by relying only on market mechanisms. I would still like to see much more choice and competition in education, but we will need some type of strategic approach to make sure that schools deliver, particularly in the most deprived areas where, as the hon. Member for Keighley (Mrs. Cryer) said earlier, we cannot always assume that parents will have the ability or the inclination to move pupils around. We have to be able to bring successful schools to those communities and cannot rely on youngsters and parents moving large distances.

Let me move on from this exchange with the Secretary of State to discuss the obvious issue of school accountability. Another important part of the debate is about the school report card. When we heard the statement on the White Paper in June or July this year, we said that we welcomed the idea of having a school report card. I think that there is potential to deliver a much better overview of what schools are achieving. At the moment, Ofsted goes to inspect every few years, but it is only every few years and circumstances in schools can change pretty rapidly. It would be valuable to know more about parental views and it would be useful to be able to compare families of schools with similar catchments rather than just on the basis of the overall results.

We nevertheless have some fairly serious concerns about the school report card model that the Secretary of State is seeking to introduce. First, my understanding—I am happy to be corrected if I am wrong—is that the school report card is, to my surprise, going to be delivered not by Ofsted or even by local authorities, which, in the Government's jargon, although not usually in the substance, are supposed to be the commissioners of education, but by the Department for Children, Schools and Families. That rings all the alarm bells because trying to manage and oversee 23,500 schools from Westminster and Whitehall is deeply damaging. It potentially leads to a situation in which anyone running education from the Department has the strong incentive over time to demonstrate that schools are improving.

I understand that in New York, where this school card approach has been tried, schools were initially awarded a single grade from A to F—or something like that—and there was originally quite a good distribution of schools in different categories. The latest figures came out from New York recently, but they showed that virtually all schools were graded in the A and B categories. That sends out a warning: there is a risk both of those who oversee these arrangements having an interest in the outcomes and of creating a whole series of measures of school performance that are woolly, difficult to measure—things such as well-being and pupil perception—and open to the predictable attempt by schools to meet the targets in any way possible, which often fails to measure what is going on underneath. Anyone serious about what is going on in education in this country is worried that the existing target approach used by the Government to drive up standards—with some success in many areas—is actually leading to serious distortions in what is being chosen in terms of subjects and how it is being delivered.

I believe that Teach First graduates are giving a presentation of their views on education here next Monday; they will put forward their view that in some of the most deprived schools in the country, many youngsters end up making choices about the curriculum and qualifications based not on their own interests but

on the desires of schools to achieve in the league tables. It is deeply worrying if choices are being made in education only to meet targets rather than because they are right for the pupils.

Ed Balls: On that particular point about distorting choices—we will soon be able to have our debate in Committee—what is the hon. Gentleman's view of the proposal that we should exclude all vocational qualifications from these school-by-school comparison league tables? For example, it is proposed that we should not include construction, music, dance, design, IT or any of the vocational qualifications. Does he think that that would lead to a distortion in the choice that schools and pupils would make? Would that be a good distortion or a bad distortion?

Mr. Laws: Yet again, the Secretary of State is trying to draw me to his side of the Chamber. He knows that I think that the Conservative proposals—to leave vocational subjects out of the league tables—are very bad. I believe that the Conservative party may already have made a U-turn on this, if the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) was right the other day.

Michael Gove *indicated dissent.*

Mr. Laws: Ah, it seems that there are two spokesmen on whether there has been a U-turn because the hon. Member for Bognor Regis and Littlehampton said the other day that the Conservative party had dropped that particular proposal.

Michael Gove *indicated dissent.*

Mr. Laws: Well, it is on the record. The reason why this issue is so important is, as the Secretary of State said, that we do not want children choosing subjects because of league tables, because in many cases vocational subjects may be right for young people. What school is going to encourage the take-up of vocational subjects if they are not included in the league tables? The issue is to ensure that the weightings are right and realistic, which they may not be at the moment, and not to aspire to a curriculum that might have been appropriate for Eton in 1850 but is not right for England today. I hope that there will be some changes to the school report card process as we take the Bill through Committee. At the moment, we do not think it will deliver and we think it will replicate a lot that is happening elsewhere in the system.

We dealt a few moments ago with the Badman review. I shall say only that we share many of the concerns about the perception of home education that the Badman review process has created. Although we think it is reasonable for all parents who are home educating to register their children, our greatest concern is that that should not become a back-door way of foisting much of the bureaucratic and centralised education system on those who are seeking to home educate often precisely in order to escape from that system. They do not want it coming in through the back door.

I believe that I have made clear our major concerns about the Bill. We believe that it will usher in a tidal wave of new bureaucracy that will do very little to drive up standards in schools. Many of us will conclude that if this Parliament comes to an end before the Bill comes into law, it will be a good thing for education.

1.39 pm

Peter Bottomley (Worthing, West) (Con): It has been interesting to listen to today's speeches and some from yesterday also repay reading. I would particularly like to commend the speech of the hon. Member for Thurrock (Andrew Mackinlay), which showed what a model Member of Parliament can cover in not that many minutes after 17 years in Parliament. It was an inspiring speech, which I commend to anyone elected to this Parliament after the next election. It will show how it is possible to be on the Government side, pretty loyal, and interesting as well as representative of the interests of constituents.

I would like say a few words to the Secretary of State, if I may have his attention for a moment. *[Interruption.]* It is not comfortable for either the Prime Minister or the Secretary of State to spend all their time talking to people beside them on the Front Bench when a Member is trying to make a remark about them. It shows a discourtesy to the House which I find regrettable. The fact that the Secretary of State is now choosing to leave the Chamber could be described as going beyond what I had expected.

I think that one camera ought to be trained on the person at the Dispatch Box when a Member on the other side of the House is speaking. Yesterday we saw the Prime Minister spending all his time chatting to people. During the part of the debate when the Secretary of State was not getting involved with the Liberal Democrat spokesman, he was talking to the person sitting beside him. All that he wanted was for the person beside him to smile and nod as though he were being very clever. I think that a better example would be given to people in our schools and colleges if the Secretary of State could actually listen to the debate that the Government have introduced. I think that that is what people in this country expect.

When I speak in schools and colleges, I say to pupils, "If you are good enough, consider being a teacher." We want the best people to become teachers. They are not always the ones with firsts, or even the ones with degrees, but I think that in many fields, whether it is formal education or otherwise, being a teacher is one of the most rewarding of experiences, and certainly very important to society.

My mother-in-law was a teacher, my sister has been a head teacher, my brother-in-law has been a lecturer, and two of our nieces are teachers. I think that it is tremendous to be able to provide education, together with inspiration, motivation, aspiration and dedication. It means saying, "I will not necessarily become as well off as some of my contemporaries who have gone into fields such as industry," but, at the end of a working life or, indeed, at the end of a whole life, being able to look back and say, "Here are the people whom I have helped to teach and to share an excitement and interest"—whether the subject was science, literature, languages, philosophy or mechanics.

I went up to Cambridge last week to attend the launch of a book on the history of earth sciences at the university. A large part of it was dedicated to my great-great uncle, Sir Gerald Lenox-Conyngham. He never went to university, but he became a Fellow of the Royal Society and a Reader in geodesy and geophysics as a result of his help in developing those subjects. He has now been succeeded by Dan McKenzie, described by the present president of the Royal Society as probably

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the greatest living geophysicist, who made people aware of plate tectonics. Being able to challenge received ideas about what is going on inside our earth, let alone ideas about astronomy and even theories about how education can be made to work, is a great thing, and I am glad that today's debate is about education, although I shall also say a few words about health.

My wife and I have five grandchildren who attend the same primary school that our three children attended. It has no advantage over other schools—it has as great an ethnic mix as any—except for the fact that, over the 40 years or so for which we have known it, the head teachers have been people who believed in order, and in having expectations of what teachers and children can achieve together. Every child learned to read, and, having learned to read, was given a hymn book. Every child learned to swim. Every child learned, when out, to behave in a way that prompted people to ask, "What school does that child come from? It must be very impressive." That is something that does not require money. It is something that should be common and shared, and I hope that it will be.

The downside is that parents and teachers together do not always succeed. I hope that, when my party serves in government, we shall find a way of publishing, perhaps every two years, the results of studies keeping track of young people in each age cohort. I hope that we shall publish, for instance, the number of young people who each week, for the first time, commit a serious criminal offence. That figure used to be more than 2,000 a week. The vast majority of those young people were male, and by the age of 30 a third of young people had been convicted of an offence for which they could have been jailed for six months or more. I am glad that they were not, but those are pretty horrifying figures.

I hope that the position is now changing, but it used to be the case that 5,000 people in this country took up smoking each week. The same number of cigarettes were being sold each week. We knew that 2,000 people had died—not all of them prematurely—and we knew that 3,000 had given up while still alive. Virtually all those 5,000 people were under 21. Smoking was a habit copied from other people—a social contagion.

Let us take another issue that affects people's lives—not just the lives of teenagers, but those of many people in their 20s, 30s and 40s. The number of people in the country who, each week, contribute to a conception that ends in a termination is over 6,000. More than 40 per cent. of people will, at some stage in their lives, contribute to a conception that ends in a formal termination.

All those figures are as easy to reduce as reducing the incidence of drink-driving among young men proved to be. We managed to reduce the number of occasions—2 million a week—on which a young man aged under 30 would drive a car having consumed more than the legal limit of alcohol to 600,000. Two thirds of a socially acceptable, body-breaking, illegal habit evaporated with no change in the law, no change in sentencing, and no change in enforcement. We achieved a change in understanding, a change in behaviour and a change in results.

I do not claim that that was purely a Tory achievement, but some figures stick in my mind. In 1979, 1,800 people a year died in this country because a driver or rider had been on the roads having consumed more than the legal limit of alcohol. In 1986, when I became directly involved, the figure was 1,200, and it is now between 400 and 500. We have achieved massive reductions without having to opt for massive spending, massive legislation, more policing or any other Government-type approach. Making people behave differently is partly a political gift, partly a result of leadership, and partly a result of not devoting too much attention to things that do not work. We could have lowered the limit, we could have increased enforcement and we could have introduced all sorts of penalties, but none of those actions would necessarily have had the same impact.

Let me return to the subject of education. What the Government propose is not necessarily based on bad ideas, but I have been looking at what has happened since 1997—for instance, the number of first-class packages sent to teachers and governors. I once asked a Minister how high a pile just the first-year's worth would make. The Minister could not answer. I think that far too much has been pushed out to people. What has not been said nearly often enough is that if something is working well, people will copy it. By discussing good practice and doing enough measuring to show what does not work, we can make a big change.

I experienced my first public responsibility as a governor of a school in Lambeth, south London, which in theory contained 1,200 girls. Forty per cent. of the intake was judged to be ethnic-minority. It was not until I asked that I discovered that after the raising of the school leaving age, more than 30 per cent. of the young people were not in school each day. It was not until I asked that I discovered that more than 20 per cent. of the teachers were not in school each day. It was not until I was able to get two of the West Indian mothers on to the governing body that any girl was allowed to take an O-level in the fifth form. Within three years, we saw our first pupil go to medical school.

Accepting lower standards and not having aspiration was seen to be a bad thing. One of our next-door neighbours in Lambeth said that he was sending his grandchildren back to Jamaica because they would be educated better there than they would be in London. That was shocking, and it was one reason why I decided to go into Parliament. I do not place a great deal of trust in the Bill that the Government are talking about, but I put a lot of faith in the ability of teachers of all political persuasions and none, working with parents of all political persuasions and none and with young people, to ensure that we see fewer failures and greater successes, and it becomes ingrained to bring respect into the fact of education and the excitement that it can bring.

Let me turn, relatively briefly, to the subject of health. A great many acronyms have been floating around. My right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, has pointed out that "NHS" were the letters missing from the Queen's Speech. No doubt that was an oversight. I am sorry if there was an oversight, but that was probably the reason.

In 1997, the Government decided—for some reason that seemed to be pretty arbitrary—that the CHCs, or community health councils, would be abolished. That decision was followed by a succession of three or four changes in the way in which the interests of people in local communities in their health system would be focused in England. CHCs were not abolished in Scotland

or in Northern Ireland, and I doubt that they were abolished in Wales. We repeatedly asked here, informally and formally, why that was being done, but no serious reason was ever given. When we ask now whose idea it was, no name comes forward. That is the kind of legislation which has a harmful impact on the ground.

I hope that when we come into government—as I hope and presume that we will; I shall work hard to ensure that we do—we can, for a start, re-establish a Department for Education. I see no reason for us to continue to split education between different Departments. I also hope that we can have a Department of Health, which, if people want CHCs to be brought back with the same level of resources that they had before, will be able to do that. I think that—both in Greenwich, where I was first a Member of Parliament, and in my present constituency of Worthing—such a system, with some adaptations, would work better than the current system in which the load is placed on volunteers. The current system is almost impossible to describe, and very difficult to sell to those whom we wish to become involved.

In respect of turning aspirations into laws—this is of relevance to the Queen's Speech—we must also acknowledge that Ministers, whether of the Labour, Conservative or any other party, should not introduce measures that will work badly.

Incidentally, on the subject of Governments saying they want to enshrine in legislation things that they are committed to doing, such as halving the deficit, can we not move forward to a time when if a Government say they want to do something, they just do it, instead of passing a law that in effect says, "This is what we will find ourselves not to have done by law afterwards"? I find that difficult to justify to college students in my constituency.

Turning to health, one of my greatest friends was a cardiologist called Professor Philip Poolé-Wilson—indeed, he led the world's cardiologists. He told me, as did doctors in my own hospital, that the Government—or the Department of Health or the national health service, depending on who wants to take responsibility—plans for MMCs, or modernising medical careers, and the MTAS, or the Medical Training Application Service, system would work perversely.

When the then Secretary of State had stopped being Secretary of State and two years later said she was surprised at how badly that had gone, we ask ourselves why had she not been listening at the time to Professor Philip Poole-Wilson, my local adviser, Dr. Gordon Caldwell, or some people on her own political side, and certainly many on my side, who had said that that was not going to work? When a good doctor with a relevant PhD in a clinical subject gets marked down, and somebody else has ripped 150 words on leadership off the internet and puts in an application, and five qualified doctors at a hospital not far from here get not a single interview between them for a next job when they are the very people who will become the consultants and teachers we need in the future, we wonder what has been going on in the Government and the Department of Health. That is not what I knew when my wife was working there.

Incidentally, Philip Poole-Wilson was one of those people who switched careers; he did not start as a doctor. When, sadly, he died, there were 29 other professors of cardiology whom he had trained. That he achieved that by the age of 65 shows that if we allow people of distinction to achieve things, they can attract a group of people around them who can then go around the world and make enormous contributions.

My last point on the NHS is to do with the national health service IT system. Every strategic health authority said that one of their hospitals must be a victim in order to bring in this new system, and, sadly, Worthing was chosen in my SHA area. The hospital tried to put that off for as long as possible, but when it came in, within six to nine months an extra £2 million had to be added to the hospital budget of £140 million a year to provide the clerical and manual back-up to substitute for the system that had been put in to replace the computer system it had, which was working, but was not working in the way in which someone, who has now left their job, up at Whitehall had imposed on them. That is terrible. Those £2 million could have been very usefully spent on some things that truly matter. When I thought of the doctors, nurses, administrators, managers and others in the hospital having to face that, knowing it was coming in and it would not work, I wept. It is not what the Government are supposed to be doing.

The final topic that I wish to address is equality. I attended an important NATO Parliamentary Assembly meeting in Edinburgh over the weekend. At one point, on the platform were put a brigadier and three other officers, all of whom were women. After they made their presentations, it was time to make some contributions. I had been reminded of my first ministerial role at the Employment Department, when I was responsible for, among other things, equality and diversity. I asked why it was that in Departments in those days—we are going back 25 years now, to 1984—80 per cent. of first-line managers were female but two promotion grades later only 40 per cent. were female. In part, the answer to that is that there was an agreement—I call it a conspiracy—between the management and unions that staff had to serve a certain number of years before they could get a promotion. Secondly, they had a system where staff had to apply for promotion; people were not told, "We want you to go for this bigger and better job." The issue came down to the generalisation—it is no more than that—that most men who are half-qualified for something think they are over-qualified, and most women who are half-qualified think they are disqualified. The same applies normally—this is just a generalisation—to doing a good job; a woman doing a good job thinks it is a good reason to go on doing it, whereas a man doing a good job thinks it is a good reason to change and do something else. Some of these issues are cultural.

We also had issues over race. I remember being questioned on the BBC Radio 4 "Today" programme about why racial discrimination in employment had not appeared to have improved very much. I pointed out that "Today" had 40 staff, not one of whom was black or Asian. I asked whether that was because they did not have the qualifications or somebody in recruitment was discriminating. I was on the show twice more in the next few weeks. I asked the same question, and I then got a letter from the director of personnel saying would I please stop exposing the BBC to scorn by asking questions, which seems an odd request to come from the BBC. It said it would have, in effect, an open access policy, under which people doing media training at the then polytechnic next door would get work experience, so

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people would no longer have to be called Dimbleby or Jay or something else to get an internship at the BBC, and the BBC has now changed. Therefore, being open and fair and giving people opportunity is what unites the education and health sides of this debate, and it is certainly the driving force behind my participation in public and political service.

I hope that the Sir Christopher Kelly changes, whether modified or not, will not lead to the middle being excluded from participating in this place. I have a fear that we will have a Parliament of just the rich and the poor and not the people in between. We should also try to ensure we get the ordinary practitioner in medicine to think they might come into Parliament at some sacrifice and do well, and the average head of department of a good school, too—not to do better than they otherwise would in financial terms, but to make a contribution. Unless we make sure we do not exclude the middle, we will end up with a rather emptier Parliament.

1.57 pm

Mr. Nigel Evans (Ribble Valley) (Con): I am grateful for having been given the opportunity to make a short contribution on this Queen's Speech. Clearly, it will not be as short as the Queen's Speech—nothing could be. I love pomp and ceremony, but I assume that the events of yesterday were not put on just so that I could be cheered up on a grim, blustery day. This Queen's Speech covers only three pages—it costs £4 from all good booksellers, no doubt, but it must be one of the worst buys in the country. To distract Her Majesty from her other duties to come all the way to Parliament in order to deliver this very short speech, which most people do not believe will be delivered on in any great way, shape or form, was a complete waste of time. I am sure it was great for the tourists, however—I am sure they enjoyed the event.

Perhaps, however, this was the Prime Minister giving a dry run of what will become the real Queen's Speech next May, when most people expect the general election to be. We will then get a Queen's Speech that will be full of substance and will be properly delivered and have the mandate of the public. As we all know, at present the Prime Minister has not been endorsed by any member of the public. Indeed, at the last general election the "great" Tony Blair said he would be Prime Minister for a full term. That did not happen and two and a half years into his premiership the keys of No. 10 were dangled above him and out went Tony Blair and in came the current Prime Minister. Therefore, yesterday's Queen's Speech has not got the mandate of the general public.

There was a great opportunity for the current Prime Minister to call a general election as soon as he was given the position; it is a great shame that he did not. If he had won that election, at least we would have had a series of Queen's Speeches over a five-year period which would have had the endorsement of the general public.

While I am talking about things that have not got the endorsement of the general public, I should mention today that it is very likely that in Brussels our unelected Prime Minister will vote for somebody whom the great British public will also not have a say on: the President of the European Council. I am not quite sure what it takes these days to fulfil that particular post. I do not think that the jobs pages of *The Guardian* carried an advertisement so that anybody who wished to apply could do so. It is more mysterious than a papal announcement. This is supposed to be a President who will speak on behalf of the whole of Europe, yet who this person will be is a complete mystery. Will it be Herman Van Rompuy, the Belgian Prime Minister—a household name, no doubt, throughout Europe; or will it be someone who really is a household name throughout the UK, at least, and who fills me with even greater dread: Tony Blair? The fact is that this position has not been endorsed by the general public of this country, even though it was created by a treaty that we were told we would have a referendum on.

For the growing number of unemployed in this country who have looked at the generality of the Queen's Speech, the question is, "Is this going to help me? Will it help this country, and help provide more jobs?" Today we are talking about health and education, in the main, but for all the education that is being delivered in this country—vocational education was mentioned by the Chairman of the Children, Schools and Families Committee—the sad truth is that there are no jobs for some of the people now being trained and educated.

What is also very disturbing is the number of firms already based in this country that are now looking at opportunities to outsource or to move part of their company, if not all of it, abroad. David Stern, UK managing partner at Roland Berger, said that the

"Government must help UK companies and employees become more competitive in the global market place. This will require reducing bureaucracy, enhancing the skill of the labour pool, and alleviating the cost burden on business",

which clearly is not happening. That study found that 49 per cent. of businesses believe they would be significantly more competitive if they moved more business functions outside the UK, and 72 per cent. have moved or are considering moving a proportion of manufacturing overseas. The study's most alarming finding was that 81 per cent. of the UK's largest multinational firms are either considering moving or already planning to move at least one major business function overseas by 2015. Furthermore, one in seven companies have already relocated manufacturing abroad. We clearly have a lot more to do to ensure that manufacturing is assisted in this country, and that we look at the burdens we are putting on our businesses. The money being diverted into rules and regulations could be invested in those companies, providing jobs for the future for the work force—for the people whom we are educating now in our schools and in further and higher education.

Two other areas are also under pressure, one of which is the pub industry. I am vice-chairman of the all-party group on beer, as everybody knows; it is an arduous task, which I fulfil with great dexterity. When the VAT rate was reduced to 15 per cent., a percentage was added on to alcohol so that it did not benefit from the reduction. In the context of tourism and the great British pub, beer is one of the great British traditions. As the Government know, 50 pubs are closing a week, destroying not only jobs but the fabric of life in many parts of the country. When the VAT rate goes back up to 17.5 per cent. on 1 January, I do hope that the Government will make a similar alteration to ensure

that—just as VAT on alcohol went up so that there was no benefit to the public when VAT generally went down—that issue will be addressed. Otherwise, there will be another 6p on a pint of beer, and many more pubs will close every week and jobs will be lost.

I turn now to the dairy industry, another industry that is struggling, but which is vital to the Ribble Valley. In 2000, there were 20,000 dairy holdings; by 2008, the figure had virtually halved, to 10,112. In Lancashire, there were 1,144 dairy holdings; by 2008, the figure was down to 634. In the Ribble Valley over a similar period, a figure of 206 dairy farms reduced to 134—a decline of 35 per cent. Such a great number of dairy farms are closing simply because the cost of production is beyond what they can sell their milk for. No business can survive for any length of time when the cost of production exceeds the sale price.

I want to touch on one aspect of education that has not been mentioned today: the student loan fiasco. We are trying to encourage as many people as possible to enter university and higher education, but to date some 119,000 students still have not had their student loans. I heard a student say on the radio that his university has a scheme whereby if a student is suffering from complete hardship, they can borrow from the university, which he has done up to now. However, that still means that for the time that he has been at university he has been unable to fulfil the full role of a student, simply because he has not had any money. I suspect that a great many of the 119,000 students who have not received their loans to date are struggling, facing Christmas with still no prospect of their loans being paid to them.

Mr. Graham Stuart: Has my hon. Friend, like me, had constituents on low incomes contact him who are themselves suffering hardship because they are having to give money to their children to enable them to survive at university? It is a disgrace that that has been allowed to happen, and that those who are most vulnerable are suffering the most.

Mr. Evans: Absolutely. I imagine that every constituency will have a number of families who are wondering how they will survive this Christmas. There might even be guilt on the part of some students, thinking that they will go back to university in January still having to rely on parental contributions so that they can eat and live. It is an absolute scandal. The Secretary of State said that more money is going into education, which is absolutely true, but this issue needs to be properly addressed.

At least the Secretary of State cheered me up no end when he said that this is the last Queen's Speech of this Administration. In fact, this is the last November of this Administration; next month will be the last December; and then we will have the last Christmas of this Administration—until we finally get to the general election, which will further cheer me up no end. Like my hon. Friend the Member for Worthing, West (Peter Bottomley), I will be working very hard indeed for a change of Administration, but I suspect that we have a half-open door to a general public who want such a change and to see fresh policies and ideas.

Given the obesity time bomb in this country, the Government want more young people to get off the couch and participate in sport. We must do more to ensure that when youngsters go to school, they have the necessary facilities and time within the curriculum for sport. Sport must not be seen as the easy option, or something that they do instead of the serious work of academic education. Sport and a healthy lifestyle are vital to our youngsters, and in many senses this issue is relevant to the health arena. If youngsters participate in sport they will be healthier, and the health budget will probably thereby be less than if they were not doing sport, eating the wrong sorts of foods and leading very unhealthy lifestyles. This issue will have a huge health impact, so let us get it right now by investing in our youngsters through sport. Let us not treat sport as a Cinderella subject that is unimportant in schools. It is vital.

I also mentioned to the Select Committee Chairman the question of youngsters, in the main, getting a bad press, which they do; I do not know why. I know that it is easier for journalists to pick on the very small number of young people who do bad things, and blow it out of all proportion, as if everybody under the age of 18 is a young thug waiting to pick on some unsuspecting member of the public and rob them, for example. That is clearly not the case. I am co-president of the British Youth Council and in my estimation, having talked to young people, the vast majority are really interested in what they are doing. They actually want to make a contribution to society, and a lot of them do tremendous charitable work, day in, day out, of which we read very little in the newspapers. I wish that there could be a deal or pact with young people so that, for every bad story that a newspaper carries about them, they also print a good one about some of the great things that some young people are doing in this country.

Sometimes I hit the supermarket industry—I declare my entry in the Register of Members' Financial Interests at this point—for the way in which it forces down the amount of money that it is prepared to pay to the dairy industry, to give just one example. However, one thing that supermarkets do on education and training—I should mention Tesco and Sainsbury's in this regard—is operate the voucher scheme that provides computers and other equipment to a number of rural schools in my constituency that otherwise would not get access to them. I am sure that a number of MPs get the opportunity to present those goods to their local schools once a year, and I think that the scheme is fantastic; the gratitude, in particular that of small rural schools, is tremendous to see. If ever the supermarkets look to change the emphasis of that scheme, they could give shoppers an opportunity to donate their vouchers in store so that they could be reallocated to smaller, more rural schools, because the number of parents and grandparents collecting vouchers for those schools will be that many fewer. That is the one suggestion that I make to supermarkets.

I shall briefly discuss health. On this morning's "Today" programme, we all heard that Nexavar, a drug that would help and prolong the life of those with advanced liver cancer, is not going to be provided to those people, who are suffering, thanks to the National Institute for Health and Clinical Excellence. The reason given for their not being able to get the drug is that it costs too much. That is despite the fact that Cancer Research UK's chief clinician, Pete Johnson, says that the situation is enormously frustrating because people know how effective that particular drug is. Some 600 to 700 patients a year are affected by this. People who are suffering

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from cancer, and their families, are hearing that a drug is available that can prolong their life and are then being told that they cannot have access to it, despite that fact that people in Romania get access to it. What is so special about Romania that people there are able to get access to this drug when this advanced country, which is giving cohesion funds through the European Union to countries such as Romania, cannot give the same guarantee to its patients who are suffering and to the families who are suffering, in other ways, with them?

I hope that we can reconsider which drugs are made available to the public. Where a drug could improve somebody's life, there must be a really compelling reason for it not to be made available here when it is available in other parts of the world. Money simply cannot be the only criterion—if it were, we could say that we are not going to provide all sorts of drugs and procedures because they cost too much.

"N", "H" and "S" were the three letters missing from this Queen's Speech. As many hon. Members know, my mother died of clostridium difficile this year. I hope that when the Government, yet again, look at the procedures in place, they will place a special emphasis on tackling C. difficile and hospital-acquired infections. The number of death certificates mentioning C. diff increased each year from 1999 to 2007. In 2007, there were 8,324 such cases—an increase of 28 per cent. on 2006. Among death certificates mentioning C. diff, the percentage on which it was an underlying cause of death has been similar in each year, at about 55 per cent. The mortality rates in 2007 involving C. diff in the 85 and over age group were 3,429 and 3,396 per million of population for males and females respectively.

There needs to be far more education of, and awareness among the public on this. C. diff is not the same as methicillin-resistant Staphylococcus aureus. On MRSA, we clearly need to ensure that our hospitals are clean and that the deep cleansing that the Government promise is delivered, so that people who go into hospital with one condition do not come out with another or die in hospital from a hospital-acquired infection. Why, for things such as C. difficile, are prebiotics not made available as a matter of course to ensure that people with one sort of condition are not left so weak that they then pick up a hospital-acquired infection?

I am grateful for the opportunity to participate in debating the last Queen's Speech of this Administration. We will all be going back to our constituencies at the end of this year and the general election campaign is fairly well started as it is. I am not surprised that a man who occupies the position of Prime Minister and takes 12 days to work out what sort of biscuit he likes dithers to a greater extent as to when the date of the general election will be. This Queen's Speech is a great wasted opportunity but, unlike the Lib Dems, I do not think that we ought to have spent the next few months trying to sort ourselves out. The only thing that will sort out Parliament and bring back the trust that people want to have in this institution is a general election. People widely expect one and the House that will come back will have at least 300 or so new Members. That new House will be elected with a mandate to clean up properly the arrangements for how this House should be working. Aside from the NHS, the other thing missing from the Queen's Speech was mention of something to deal with the legislation necessary to implement the Kelly findings; the Conservative party fully endorses those recommendations.

2.16 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am grateful for the opportunity to participate in this debate on the Queen's Speech. I must say how much I enjoyed the speeches made by my hon. Friends the Members for Ribble Valley (Mr. Evans) and for Worthing, West (Peter Bottomley). Both of my hon. Friends gave us lots of ideas and things to think about as they covered areas of the Queen's Speech and the way forward on health and education. I am delighted to see the shadow Health Secretary on our Front Bench, because he has done so much for, and is so heavily involved in, health matters across the country. We very much hope that before long he will be responsible for the health of our country.

In the final year of this Parliament, at a time when this country is suffering so greatly because of the economic recession, it would have been expected that the contents of the Queen's Speech would be constructive and would attempt to deal with the real major issues confronting us. Regrettably, that was not the case and, as my hon. Friend the Member for Ribble Valley said, the Queen's Speech was very thin. I wish to highlight the fact that the Government Benches are devoid of any Back Benchers or participants in this debate on a very important legislative programme. Where are the Labour Members? There is no one on those Benches, save a few Members on the Front Benches. The empty Benches reinforce the belief that Labour Members, too, think that this Queen's Speech is inadequate to meet the needs of the nation.

In general, the Government's legislative programme appears to show that they have run out of ideas, and that this was a political speech and an attempt to save them at the general election. They will not succeed on that. They should be endeavouring to outline a programme to clear up the mess they have created over the past decade, be that in health, education, any other such matter or, more importantly, the economy. Too much of the programme in the Queen's Speech is, regrettably, partisan point scoring and is not about improving people's lives.

I am disappointed that the Education Secretary is not here, because his speech highlighted what is wrong with the Government and with this Queen's speech. His contribution was partisan and, regrettably, it was not constructive. When I intervened on him, I endeavoured to suggest that on education we should be looking to work together to improve in the areas where we need to improve for the benefit of our children and our country. On this occasion, we need real change to create jobs, reform the health service, deal with our huge debt, put forward plans on immigration and offer real reform in schools. The Government have nothing to offer on ideas, vision or practical policies. Most of their measures have been window dressing.

Two areas of great concern to my constituents and across my borough of Bexley did not get prominence in the Queen's Speech. In fact, some aspects of them were not mentioned at all. One is the NHS and the other is immigration. Cutbacks in our local NHS in Bexley,

financial problems affecting our local hospitals, the closure of wards and the proposed permanent closure of the accident and emergency at Queen Mary's hospital, Sidcup are causing anger and concern in my area. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) has come down to Queen Mary's to see the problems at first hand. We have a good hospital that is losing a facility that is much loved and much needed in my area. Obviously, we need reforms to the NHS to ensure that the system works better. We should not set our sights against change—we believe in change—but what we need is a new approach and I do not believe that this Labour Government can bring that new approach to the NHS or anything else.

As for immigration, there needs to be a change in both the approach and the policy. There was nothing in the Gracious Speech on a subject that even the Prime Minister recently admitted in a speech was causing concern across our country. One might therefore have expected some mention of it in the Queen's Speech or some proposals. Regrettably, that was not so.

Today's debate, of course, focuses on education and health—two of the most important issues to our constituents across the country. We all know that things need to improve and need to be better. Yes, money has gone in, but what are the results and the outcomes? That is what our constituents are looking for. I want to concentrate mainly on education today, and the Government's proposals are, I think, an admission of failure in education after 12 years in office.

As a former teacher and lecturer, as well as a father, grandfather and school governor, I remain very concerned about the state of education and our schools in this country. So much for the 1997 Government slogan or mantra of "Education, education, education." We have had so many education Bills and so many reforms, yet we still have many problems. That is quite an indictment of failure for the Government.

The Government have said that they believe that their new legislation will allow them to create world-class standards in schools, to listen to parents, to give them more information and to act to protect vulnerable children. These are commendable aims. We are all in favour of them and believe that they are vital. Why, after nearly 13 years, have we not achieved them? Why is still more legislation being introduced? The Secretary of State for Children, Schools and Families should be ashamed, I think, of the Government's record in education.

What will the new Children, Schools and Families Bill do? We heard a large number of interventions from the Secretary of State about the bureaucracy and the aims of the Bill to give guarantees to parents and pupils. That is commendable in principle—we want to see guarantees of good schools and a lot of these aims are worth while. The Opposition do not disagree with some of the principles, but we are concerned about the bureaucracy that will be created. Of course we want guarantees, of course we want parents to be more involved and of course we want teachers to be freed up from bureaucracy so that they are able to do their jobs. We want heads and schools to have more independence. Our proposals are not as unfettered as the hon. Member for Yeovil (Mr. Laws) tended to suggest, but we want to ensure that the professionals can get on with the job—whether they are in the health service or in education.

Many of the measures in the Children, Schools and Families Bill are to be welcomed. Some are really good ideas. As my hon. Friend the shadow Secretary of State for Children, Schools and Families said in an impressive, entertaining and constructive speech, a lot of the parts of the Bill that we agree with are measures that we proposed that have now been taken over by the Government. Of course we welcome that fact—anyone welcomes a sinner who repenteth, and this Government have a lot of sins.

Legally enforceable home-school contracts were an idea that we were very passionate about, proposed by the Conservatives. It is just a pity that it has taken the Government so long to come forward and accept them. Regrettably, however, the Government seem to be tinkering a lot with education rather than grasping the real need for school reform.

Of course, we must deal with the worst and poorly performing schools as a matter of urgency. Children are being failed by the system and in 2009 that is not good enough. The majority of children who are failing the most are those in the more deprived and difficult areas, who have fewer opportunities. That cannot be acceptable and must be attacked as a top priority.

In the longer term, the whole education system must be more responsive to parents. A system of legal guarantees, as proposed by the Government in their measure, could be expensive and time-consuming, and will not give parents more control over their children's education. We should be giving parents more real choice by opening up the system, not closing it down and introducing more and more bureaucracy.

In his speech, my hon. Friend was positive about the need for educational reform. We need a radical approach to transform poor and failing schools—not more bureaucracy. The Conservatives have positive and radical ideas. We believe that there should be a new generation of independently run state schools. We do not believe that local authorities should have total control over our education system. In some areas, they have failed to take the initiative.

I commend the local education authority in my borough of Bexley as innovative and good. We are looking towards even greater diversity. We have grammar schools, comprehensive schools and single-sex schools. We also have Church schools and some academies. The academy in Welling is doing well, and we hope that the new one in Crayford will open next September. The primary part of the school is already open—I had the privilege of opening it in July. We look forward to the innovative education at the school giving real opportunity to people in that part of my constituency. The Haberdashers' Aske's federation is behind the project and is to be commended for taking the initiative.

Conservatives want passionately to smash down the regulatory barriers, such as planning guidance and building regulations, so that it is easier for new providers to open a school. Moving to a per capita funding regime, whereby new schools are paid if they attract pupils, and introducing a pupil premium to direct extra funding towards the poorest pupils must also be a way forward.

We are keen on turning the best schools into academies, giving every school the opportunity to apply for academy status and extending the academy programme to primary schools. Forcing schools that have been in special measures

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for more than a year to be taken over by an excellent academy provider is a way of taking real action to improve schools that have been failing our children and communities. Giving parents the power to take over schools that local authorities want to close is another option for the future.

We believe in giving schools greater freedom, but that must come alongside making schools more responsible to parents. In that way, we shall have better and more balanced education provision for every child, all over the country, not just those who happen to live in an area where there are already good schools.

We want positive action. We shall look carefully at the pupil and parent guarantees of a legal right to a good education, but we have concerns. We believe that we need to free things up rather than increase bureaucratic regimentation and control, and to be much more effective at pushing up standards.

Standards are the key. People should have the opportunity to be educated, to aspire and to develop to their maximum potential. Many of us are very grateful to the state schools we attended and to our teachers. They gave us opportunities to get on and make something of our lives. I am certainly grateful to the teachers at my primary school and grammar school.

Teachers do a fantastic job. As my hon. Friend the Member for Worthing, West said in his excellent speech, teaching is a vocation. Teachers can really help pupils to develop. We should be grateful to people who go into that profession and give their lives to encouraging, enthusing and educating our young people. It is a tremendous career, but a demanding one. We should appreciate, too, the head teachers who give leadership and encouragement and set the benchmarks for their school. We believe in head teachers, teachers and parents, and we want more power for them, so that they can help improve standards, and can enthuse pupils and give them the necessary aspirations.

I conclude with a short word on the Queen's Speech in general. There is very little in it—and, to be realistic, how many of the Bills that it mentions will be enacted by the time the election comes? I do not know. The Queen's Speech is a missed opportunity for a Government who, when they came in, promised so much, but who have delivered so little in nearly 13 years. They are political to the last, as they always have been. The speech was a regrettable missed opportunity to deal with the issues facing our country. Therein lies the Government's tragedy. I am sure that the electorate will pass their verdict on them in the near future.

2.30 pm

Mr. Paul Goodman (Wycombe) (Con): The Secretary of State for Children, Schools and Families began his speech by saying "Hi". I will resist the temptation to say the same to you, Mr. Speaker, but I observe that he might have done better to begin by saying "Bye", because that is the message given by Labour Members this afternoon.

Mr. Graham Stuart: They have all gone.

Mr. Goodman: Indeed. By the time the Front-Bench speakers had wound up, they had all gone, apart from the distinguished Chairman of the Children, Schools and Families Committee, of which my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) is a distinguished member. At the moment, the lonely presence of the Health Secretary's Parliamentary Private Secretary, the hon. Member for Sedgefield (Phil Wilson), is guarding the Government Benches. Labour Members are presumably off to their constituencies, but perhaps they have come to the conclusion, as we certainly have, that there is nothing wrong with the Queen's Speech that a speedy general election will not put right.

It is appropriate that I should begin by reflecting on saying goodbye, because this is not only the Government's last Queen's Speech, but mine. I am in the process of saying goodbye myself. As I go about doing so today, I want to reflect, in a local way, on the public services—health and education. First, I want to say something about public service itself and some of the issues that have arisen as a result of the expenses scandal over the past year. I shall conclude, if I have time, with a few brief remarks—a kind of coda—about the situation in Afghanistan.

It almost goes without saying that it has been a debilitating and, in many respects, disastrous year for the House of Commons, what with the expenses scandal and the issues that arise from it. I want to try to take a step back for a moment and ask a fundamental question of principle that is rather more important, in the long run, than some of the detail with which the issue can sometimes become surrounded. The basic question that the House has to ask is whether it sees Members of Parliament fundamentally as citizen legislators who are free to earn and work elsewhere, or as professional politicians. Professional politicians are, by definition, not so free to earn and work outside, and are therefore inevitably members of a political class, distinct and separate from the constituents whom they represent.

Looking back at the journey that has taken place this year—beginning, probably, with Nolan, through to the House's decisions of 30 April, the Parliamentary Standards Act 2009 and Kelly—the direction of travel is clear. We are travelling in the direction of professional politics, and that is not something that I want to be part of. I have made it clear elsewhere that if Members of the House effectively have to fill in time sheets for outside work, it will ultimately be deeply damaging, and will have serious consequences for this House and its ethos, character and nature.

My answer to the question, "Why shouldn't hon. Members fill in time sheets in the way that has been suggested?" is that the Commons should not become a monopoly for the political class who work here, work here only and do not have any outside interests and expertise, whether in dentistry, the law, the City or charities and so on. If hon. Members disagree, as some will, I simply make one observation: ultimately, what is good for the goose must be good for the gander. If being a Member of this legislature is a full-time job, it follows as night follows day that Members cannot moonlight as Ministers on the Government Benches; and, if that is the way that this House and the voters want it, the legislature and the Executive must go their separate ways. I should not like that, but I am afraid that that is the position into which the House is getting itself. I make that point gently but, I hope, firmly.

I do not want this contribution simply to be about Members, so I shall return to my constituents' concerns about health and education and make two simple, local points. On health, last week, two mums—of course

there were more—gave birth in my constituency, and I am sure that the whole House will want to congratulate them. Unfortunately, they did not do so in the safety of a labour ward: they both gave birth in ambulances. They did not give birth in the security of a hospital, either: one gave birth in an ambulance in a lay-by on the A4010, which stretches between Wycombe and Aylesbury; and the other gave birth in an ambulance outside the Eden shopping centre, which has many virtues but is not, after all, a hospital.

My constituents will ask the simple question that our party asked during the 2001 general election: "Where has all the money gone?" Although I could revisit the territory that has been covered by some of my hon. Friends, who have seen health cuts and closures in their constituencies following the Government's change to the health service funding formula in 2004, I shall resist the temptation to go back and, instead, make two points about the present.

In Buckinghamshire, we are trapped in a vicious circle. After the restructuring of the past eight years and, in particular, the change to the funding formula in 2004, we have had a primary care trust deficit. That tends to leak into the hospital deficit, and, because the hospital trust has a deficit, it is very hard for it to make progress on its entirely noble aspiration to become a foundation trust. We receive about 17 per cent. less NHS funding per head than the average citizen in England, so we cannot address the deficit fully. I am not suggesting that the PCT does not have a role to play in getting its deficit down, but that is very hard if it is 17 per cent. behind the rest.

I have had several constructive conversations with my hon. Friend the shadow Health Secretary, who, unlike the Health Secretary proper, is in his place on the Front Bench, listening to the debate. My hon. Friend has been able to reassure me that there will be a simpler, fairer and independently administered funding formula if a Conservative Government are elected in May, as I believe they will be, and that will greatly help to improve my constituents' situation. In the long term, if some of that extra money can unlock foundation status, Wycombe hospital may be able to regain some of the facilities that it lost to Stoke Mandeville hospital after the 2004 changes to the Government funding formula.

I am sure that my hon. Friend will get any structural changes that he wants to make in early, because, like my hon. Friends in other areas, we have seen absolutely bewildering health-structure change in Buckinghamshire. When I arrived, there were three primary care groups, which became three primary care trusts. There is now one primary care trust. The mental health trust has been merged with Oxfordshire. The regional health authority has been abolished and recreated, and the ambulance authority has been merged. Not one single team of chair and chief executive is in place now that was in place in 2001. For us, the experience of the NHS in Buckinghamshire has been almost like watching permanent revolution in China. If my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) becomes Health Secretary, as I am sure he will, my constituents will look to him to introduce some stability to the situation.

On education, I want to make a simple point about social mobility. I will not rehearse all the figures—my hon. Friends will be familiar with them—which show that social mobility has stalled under this Government since 1997 and that the gap between rich and poor has not narrowed but, in several key respects, widened. Our education system in Buckinghamshire is unusual, although not unique, because we still have a selective system. For a long time, it has been my party's policy not to seek to reintroduce a selective system nationwide or to seek to disrupt the selective system where it is working well, as it does in Buckinghamshire. Given that the 11-plus, at least as it works in our county, is essentially not dissimilar from an IQ test and seeks to match pupils to schools, and given that a large proportion of pupils in our excellent grammar schools appear to come from better-off areas, I want to ask one simple question as I approach my departure from the House in March, May, or whenever the general election takes place. Are we absolutely certain that that test is working as well as it should for pupils in the poorer areas of my constituency, who would greatly appreciate the chance to be as socially mobile as their predecessors were a generation ago, and who arguably appear to be doing less well out of the system than others?

I want to conclude with a few remarks about Afghanistan in the light of my experiences, which my hon. Friends and Members in all parts of the House will have shared, on Remembrance Sunday. As each year passes, certainly in my constituency, I have observed the crowds growing as the involvement of our servicemen and women becomes greater, and sensed a greater appreciation of the sacrifice that they are making.

The current strategy in Afghanistan is that the American Government and our Government require a surge—there is no controversy about that. Clearly, our troops need to be better equipped. In some respects, the Government's record on that has been absolutely scandalous. The alternative to a surge and better-equipped troops—immediate withdrawal from Afghanistan—would plainly be disastrous; apart from anything else, it would place enormous strain on the western alliance. I am sure that no one in the House would want to contemplate an immediate unilateral withdrawal. However, we must look forward and ask ourselves seriously whether, if the surge does not work, the Helmand mission in which our troops are engaged is fundamentally indispensable to our national security. There are different views in the House about that. The right hon. Member for Pontypridd (Dr. Howells) recently said, in effect, that it is not indispensable, and called for much higher spending on security in this country and for a scaling down of our presence in Afghanistan.

I think that hon. Members and others would benefit from reading the recent interesting pamphlet by my hon. Friend the Member for Gravesham (Mr. Holloway), which was published by the Centre for Policy Studies. It follows very much the line of thought developed by a man who I believe will be a future colleague here—Rory Stewart, our excellent candidate in Penrith and the Border—and argues that a new emphasis should be placed on more local decision making in a country where, after all, there is no history of unitary Government. My hon. Friend and Mr. Stewart emphasise the need for a smaller military and development presence but, crucially, enough of a presence to be able to search out and destroy any bases that the al-Qaeda leadership might seek to re-establish. Those ideas are well worth examination.

[Mr. Paul Goodman]

It would be wrong of me to anticipate the general election result next May, but I must say that I am looking forward to the possibility—I will put it no more strongly than that—of a Conservative Government led by my right hon. Friend the Member for Witney (Mr. Cameron). The challenges, which are not substantially addressed in the Queen's Speech, if they are addressed at all, are enormous.

The deficit, Afghanistan, to which I just referred, and the emerging crisis in Iran—any one of these would be a big enough challenge for one Government, but it is quite possible that my right hon. Friend will find himself dealing with them all at once. This is not my last contribution, but a valedictory note is perhaps appropriate. Those will be very big challenges for him if he becomes Prime Minister, and all I want to say is that I will be cheering him on from whatever journalistic perch I happen to find myself occupying.

2.46 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I am very pleased to make a short contribution to the debate, which gives an opportunity to tie health and education issues together. Although a lot of legislation endeavours to do that, I think we are all aware of the huge gaps where children's services and health services are not working together as they should.

I should like to speak about access to health services and subsequent outcomes for children and young people. The hon. Member for Huddersfield (Mr. Sheerman) mentioned child protection and said that even after a year of debate and after we have identified so much that needs changing in our children's services, it did not come up in the Queen's Speech—perhaps I should say that it is yet another such issue that did not come up. The problem has impacted greatly on the public and they certainly want to hear more about how we can tackle it.

I have tabled amendments to a series of Bills to achieve provision of therapeutic services for all abused children, starting with the Bill that became the Sexual Offences Act 2003. Sadly, I have been unsuccessful so far, but most of my political life has been "Try, try again," so I have not given up yet. As an ambassador for the National Society for the Prevention of Cruelty to Children, I agree with its call for comprehensive post-abuse therapeutic provision for children in care, custody and refuges, and for children exhibiting sexually harmful behaviour.

Child abuse remains an unacceptably large problem in the UK. An NSPCC study from way back in 2000 showed that 16 per cent. of children had experienced some form of sexual abuse, which may well have been by a parent or another relative. Other forms of abuse—physical or emotional or neglect—can also have a traumatic impact on children. In 2006, the then Department for Education and Skills said that of 60,000 children in care, 63 per cent. were there because they had experienced some form of abuse or neglect. Of course, in reality, the problems are likely to be much more widespread, because instances of abuse go unreported or because they are reported many years after they occur. The long-term consequences of child sexual abuse include anxiety and depression, anger and guilt, phobic reactions, substance abuse, difficulties functioning at school, poor self-image and difficulties with personal relationships and parenting.

The Corston report in 2007 highlights criminality as a very real potential consequence of these problems, and it revealed that a high proportion of female inmates have a history of sexual abuse. Adults being treated for mental health problems often identify childhood abuse as an influence. Research shows that 25 to 40 per cent. of all alleged sexual abuse involves young perpetrators. The majority of those children and young people have been, or are being, sexually, physically or emotionally abused themselves.

Therapy at an early stage could therefore help to reduce the scale of the problems over time by breaking the cycle. In addition, of course, it could save much money and anguish, and many troubled adults. Therapy can transform children's lives, but provision is inadequate and patchy across the country.

A recent NSPCC report published just this year, "Sexual Abuse and Therapeutic Services for Children and Young People", concluded that the overall level of specialist provision is low, with significant gaps in provision both nationally and locally, and that there is a huge gap between the estimated need for services and service availability. The report identified potential shortfalls in provision ranging from around 51,000 to 88,000 therapeutic places. That is a massive problem.

I was talking to a member of the NSPCC just yesterday about ChildLine, a service so important that I hope that all parties will say in their election manifestos that they will continue funding it. Young people who do not want to speak up face-to-face with someone do manage to contact ChildLine and explain what has happened to them.

ChildLine also provides counselling services at the end of a telephone, and has allocated times when children and young people can ring in. Obviously, that is not as good as face-to-face counselling sessions but it is a start, as talking about these issues has to be a good thing. All the contacts made through ChildLine indicate how much a comprehensive service is needed.

Specialist services are not only too few but are often offered too late, when a child or a young person is already showing symptoms of mental health or behavioural problems. There are very few services available for young people who have been raped or seriously sexually assaulted. Recently, a Victim Support volunteer from my constituency came to talk to me about the total lack of rape counselling in our area for young people under 16 who have been raped. It took an enormous amount of work to convince people that merely referring a person in those circumstances to a website was really not satisfactory.

Not so long ago, I got a letter from a mother whose child, sadly, had been raped. The child had waited months for counselling, and I do not think that that is good enough. That may not be the most popular of items to talk about in relation to the Queen's Speech, but there are problems that we need to face up to and do something about.

Finding resources to provide a comprehensive service will obviously be a problem in today's economic climate, but I should like to see at least a commitment to a strategy to make such services fully available in time. Preventive action that should be taken automatically now will save money and heartbreak in the long run.

We need joined-up thinking. The new Department for Children, Schools and Families covers not only schools and children, but young people's health issues

and youth justice. All those matters must be brought together when considering the need for therapeutic treatment. My last attempt to get the provision of therapeutic treatment included in legislation was on Report on the Children and Young Persons Act 2008. As I recall, the Government had agreed to amend the Bill to make provision for medical assessment for children taken into care. I tabled amendments to link the provision of therapeutic treatment to that assessment where appropriate. I was advised by the Bill Clerks that it was a DCSF Bill and that it would therefore probably not be possible to have an amendment accepted for debate which would place a monetary commitment on the Department of Health. Sure enough, my amendments were not selected.

I should like to ask all the Ministers who have been present at some point during the debate what more can be done at national level to ensure that health and children's services are fully co-ordinated. We should not get the answer, "This is not my Department," if we are looking at the child as a whole. I made a similar plea for more therapeutic services two years ago in the Queen's Speech debate and was heartened by the response that I got from the then Secretary of State for Health, who said:

"My right hon. Friend the Secretary of State for Children, Schools and Families and I will work together on children's health on a Joint Committee to try and join services up in the way that the hon. Lady seeks."—[*Official Report*, 13 November 2007; Vol. 467, c. 637.]

I do seek that, and I seek real movement on it before the general election.

I recognise that the Government have invested in child and adolescent mental health services. There will never be enough money, but there has been considerable investment. However, that pot of money will not necessarily help the children about whom I am talking, because they may not have a diagnosable mental health condition, for example, and not all children and young people will wish to receive CAMH services.

The National Society for the Prevention of Cruelty to Children delivers excellent programmes, and Action for Children is doing a lot of work with children in care, including running some pilots for the Government on the provision of therapeutic treatment. There is a lot of good work, but we need more. The Barnardo's report "Whose Child Now?", published just this week, identifies the need for better services in local authorities, to provide special support to children who are sexually exploited or at risk. We need more preventive work in all our local authorities to stop sexual exploitation and truly tackle trafficking rather than pretend it does not exist. When it sadly does happen, there needs to be appropriate treatment and counselling if young people are to be able to go on in life and fulfil their full potential.

I congratulate the Secretary of State in particular on his commitment to supporting disabled children and their families, but I recently came across a local case in which there was a battle between the primary care trust and social services about who would pay for the support in overnight care that was necessary for a very sick child to be returned home from hospital and restored to his parents. The battle was acted out over four to six weeks, with the parents tragically in the middle. I hope that everybody is happy now, because three nights' support are being provided by the PCT and two by children's services, but why should the family have been in the middle of that tussle? That is one family, needing one set of services. Why cannot we do these things better?

I wish to touch on maternity services, which are a local issue that the hon. Member for Poole (Mr. Syms) will also be concerned about. When we are talking about good outcomes for children and young people, we have to go back and get pre-birth services right. Equally, it is really important that mothers have a good experience at the time of the birth, because attachment to the baby, love and caring are all-important. If there is not a strong bonding, perhaps because of an unfortunate situation at birth, it can lead to all sorts of further problems. We have to get that right at this level.

My granddaughter was born on Poole maternity unit just 16 months ago. Although it was a proud moment, I was shocked at the physical state of the buildings. A few months later, on a routine visit to the chief executive of Poole hospital, I mentioned that I had been deeply shocked. It had been many years since I had last been there, but clearly the buildings were outdated and it was difficult for staff to operate in such conditions. I was reassured at the time because I was told that everything was in hand for a new maternity unit to be built. That is long overdue and the existing buildings are past their sell-by date.

Poole hospital is an important, main hospital serving a large area, including my constituency, and has really tackled the Government's agenda. It was recently awarded a double "excellent" rating. What more can we ask of an NHS hospital? It has been ranked as the safest hospital in the country, because of how it has tackled infections. We are not talking, therefore, about a badly managed hospital—quite the contrary. Yet problems have arisen with the funding for the new maternity unit. I make a special plea to the Minister to look into the matter. The unit is much needed in a hospital that has been managed extremely well.

We are approaching the 20th anniversary of the signing of the United Nations convention on the rights of the child, and I am really disappointed that no one from the Department for Children, Schools and Families is here. The anniversary should be acknowledged in all debates today given that we are debating the Queen's Speech on health and education. That is really important. We have some wonderful programmes in our schools on the rights and responsibilities agenda put forward by UNICEF over the years. I am sure that many hon. Members will be visiting schools to celebrate the 20th anniversary.

I make a plea to the Government: so much has been done and the Government are getting much better reports when they go to the United Nations and talk about the progress that has been made, but this country has not fully implemented the convention, despite being an early signatory. We need to care about, for example, children in detention and asylum seekers' children, and fundamental issues need to be addressed. As we face the 20th anniversary, we have much to celebrate, but we need to ensure that we put our children first and foremost.

3.3 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a pleasure to take part in this debate. We have heard some interesting contributions, although, as ever, one of the most revealing comparisons was between the contributions of the Front-Bench spokesmen for the

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two main parties. We should compare the partisan, petty approach taken consistently by the Secretary of State for Children, Schools and Families with the thoughtful and responsible approach taken by my hon. Friend the Member for Surrey Heath (Michael Gove).

In truth, there are not so many things that divide us: we are all committed to creating an education system that is fit for purpose and in which teachers are valued and their roles recognised. Most important, we must do everything to ensure that educational opportunities for the most vulnerable children from the poorest families are as great as for those from better-off families. In order to make progress, we must recognise the reality of the situation.

The debate is not just a sterile exchange of data. The truth is that the Secretary of State said repeatedly that the gap between rich and poor had narrowed. Despite being prompted repeatedly, he failed to provide any evidence for that. We always end up with a slightly mixed picture, depending on the data that we look at, but the truth is that most independent assessments suggest that the gap between rich and poor has not been narrowed. That is something that all of us across the House should be worried about. We should work consensually to provide a framework for teachers, schools and parents to ensure that the current injustice in opportunity through education is addressed.

I plan to focus my remarks on the proposals that we are told will be in the Children, Schools and Families Bill to deal with elective home education. Elective home education is where children who have either never been to school—some parents may never put their children into school—or been taken out of school, which can happen for various reasons, are educated at home. I want to put on record my tribute to the commitment, enthusiasm and success of the many parents and children involved in elective home education. They have been shocked and horrified at how they have been portrayed. Even in yesterday's Queen's Speech, the Government's proposals for the compulsory registration of all home-educated children was put under the heading of "safeguarding", suggesting, as Ministers have done repeatedly, that there is some stigma or safeguarding problem with home-educated children.

The picture is complex. There are children who are electively home educated because the schools have effectively pushed them out, because they do not want children who are not succeeding to lower their percentages for certain targets. There are also children suffering from bullying, children with special needs that are not recognised and sometimes even children with special needs that are recognised, but who are deeply miserable at school. A complex set of people are covered by elective home education; but have the Government, if they are serious and concerned about it, set out to get a comprehensive understanding of children who are electively home educated? Have they tried to get robust data? I would put it to you, Mr. Deputy Speaker, that the Government have not done that.

The Badman review, which the Government commissioned, failed to tackle the issue. Badman said in his first report:

"Our own data concurred with the DfES (2007) report, that there are around 20,000 children and young people currently registered with local authorities."

However, Badman was not even certain about that:

"We know that to be an underestimate and agree it is likely to be double that figure"—

in other words, more like 40,000 young people—

"if not more, possibly up to 80,000 children."

After people involved in home education challenged the Badman review's findings, which suggested that more of the children involved had child protection plans, Badman went out again, to gather additional data. He then came back and told the Select Committee on Children, Schools and Families that children with child protection plans—that is, children about whom local authorities have the greatest concern—accounted for 0.4 per cent. of electively home-educated children, which he compared with the national average for all children of 0.2 per cent. He therefore said—he said it on the record, in a letter to the Committee—that the percentage of home-educated children who are subject to child protection plans is double the percentage for the population as a whole. Yet his numbers were based on the 20,000 who were known to be registered, and he himself said that the figure was probably at least double that. When challenged by me in the Committee, he failed even to understand and, in a later letter to the Committee, again failed to accept the basic point that if there are at least 40,000 home-educated children, as appears to be the truth from his evidence, and if every child on a child protection plan is known to the local authority by necessity of being on such a plan, it is clear that the percentage of home-educated children with a child protection plan is, if anything, probably lower than the national average overall.

Therefore, the whole idea that there is a special risk around the home-educated population appears to have no supporting data. I would say that children who may be a cause for concern to local authorities are sometimes taken out of school, perhaps to disguise behaviour, abuse by parents and the rest of it. Then there are issues with Traveller communities. We have no information, particularly from Badman, about the number of children moving around the country all the time. Children in a number of categories may or may not be greater cause for concern. However, it is clear that for the broad number of dedicated electively home-educated children, the risk of their being on a child protection plan and thus at risk of abuse appears to be less than for the population overall.

The fundamental basis of Badman and the Government's approach—that there is a problem from a safeguarding point of view that needs to be solved—seems to be statistically flawed. The Government should not be rushing forward with legislation to introduce compulsory registration and possibly to erode the civil liberties of the families concerned; they should be building a much better understanding of the system overall. What do the Government's proposals mean for children's services, social workers and those involved in home education? More work load and yet another database.

One expert from the reference group to the Badman review said:

"In my 30 odd years of professional life in education I have rarely encountered a process, the entirety of which was so slap dash, panic driven, and nakedly and naively populist."

The statistical evidence collected by the review was so weak, as I said, that the author had to collect the data again.

However, the Secretary of State seems to have made up his mind. He talked today of giving parents the support that they need, but we know that he has been described by the hon. Member for Huddersfield (Mr. Sheerman) as a "bit of a bully", and we know what happens to parents who reject his support. Parents on benefits, whose children stand little chance today of getting the grades that they need to help them escape poverty, are told to be grateful for all the money that Labour has spent, despite the fact that the outcomes have not been delivered. Parents who go to desperate lengths to avoid the inadequate school dished out to them are labelled as failing to do their duty. And parents who want to set up their own school? Not in the Secretary of State's name.

As for parents who reject the Secretary of State's school system entirely and sacrifice their time and career to bring up and educate their children themselves, they are stigmatised as more likely to be child abusers than normal people. It is an absolute affront to those in the home education community, and it is baseless. The scheme is all about getting home educators in a headlock and forcing their children back into the Balls fold.

On the cost of the proposals, the Department for Children, Schools and Families has estimated that the registration and monitoring scheme would cost £21 million to set up and £7 million a year to run. That would pay, just about, for 1.5 additional staff members for each local authority in England. Is that enough to cover the additional demands of registration, database maintenance and additional inspections? A former head of research at Citigroup estimated the cost of launching and running the scheme at £500 million. Whatever figure one wants to choose—I imagine that it is somewhere between the two—a huge resource will be spent setting up a registration system.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke), who speaks for the Liberal Democrats, said that she has been persuaded that a light-touch registration scheme for home-educated children would be appropriate. At first glance it looks as if that would offer benefits, just as with ID cards it seemed obvious at first glance that they would provide us with defence against terrorism and make us more secure. The more we gained an understanding of how ID cards would actually work and of the nature of the terrorist threat, the more the efficacy of ID cards to help us in that regard melted away. I would suggest that the idea of light-touch registration to make children safer or to make it more likely that they will get a suitable education will, on closer inspection, also melt away. I put it to you, Mr. Deputy Speaker, that people who move around the country will not be caught by the net, but the typical people who will be caught by it are those who live in one place, who are committed to elective home education yet have to face someone from a local authority coming and knocking on their door.

I was interested and reassured to hear the Secretary of State's earlier intervention, but it is a shame that the Under-Secretary of State for Children, Schools and Families, the hon. Member for Kingston upon Hull, North (Ms Johnson), is not in her place, because the Secretary of State seemed to suggest that, contrary to the Badman recommendations, he would not bring forward into the Bill—there is no draft Bill as yet—the recommendation to allow local authorities to enter people's homes as of right. If that concession has been made and that is not going to happen, it is a tremendous breakthrough. I am certainly pleased about it, but I would like to hear it repeated from the Front Bench again.

Annette Brooke: I endorse the hon. Gentleman's point. Does he agree that one of the big problems is the confusion of education and child protection? If I am teaching in a school, I am hopefully trained to recognise signs of child abuse and will report it to the appropriate authorities, which will not have to set out to solve it. Is not the problem the attempt to wrap this all into one, instead of being clear about what the issues are?

Mr. Stuart: The hon. Lady is absolutely right that the two issues—safeguarding children who might be at risk and ensuring a suitable education for all children—have been mixed up. As I say, the data on the safeguarding issue suggest that elective home education in and of itself is not a problem area, although there may be groups covered by that heading and certain children who need greater support. We do ourselves no favours by mixing up the two issues.

The Badman report's recommendation 7 said:

"That designated local authority officers should... have the right of access to the home".

That right applies not after being given cause for concern or because the local authority has reason to believe that the child is not being properly educated or that the child is at risk or because of any issue whatsoever. This is a profound right to enter the home as the local authority sees fit. The recommendation also states that those officers should

"have the right to speak with each child alone if deemed appropriate".

The Badman review thus recommends that local authorities, some of which will have significantly let down the families and the children concerned by failing to tackle fully any under-performing schools or by leaving children and families traumatised and upset, should be given the right to march into the home to start monitoring and make an assessment of the child's education. That is fundamentally wrong and if the Secretary of State's intervention on the hon. Member for Yeovil (Mr. Laws) means that that will not happen, it is good news. I say to the Minister of State, Department of Health, the right hon. and learned Member for North Warwickshire (Mr. O'Brien), who is in his place on the Front Bench, that I would be most grateful if that assurance could be repeated in the summing-up speech. That would provide enormous reassurance to people.

If we think about light-touch registration, it sounds perfectly reasonable at first. We do not want children below the radar or children who are not known to anyone—that is what moved the hon. Member for Mid-Dorset and North Poole and one can go along with her on that. If, however, we look at the detail of how it might work, we need to think about what "light touch" actually means. Does it mean that there is a registration system at local authority level and that the local authority then does nothing with it, or are we going to ensure, as Badman recommends, that every child who registers is visited within one month of registration? Local authorities do not have the resources to provide for that, so I can easily see that instead of the scarce resources of local authorities being used to give support where it is most

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needed—to families that are crying out for the extra support—we will end up with a bureaucratic procedure whereby the limited, overstretched staff will be forced to go around visiting family after family after family even though there are no issues and no concerns.

In the meantime, under a system that is supposed to ensure the provision of education and safety for children, what will actually happen—and it is typical of this new Labour Government, who are so wedded to bureaucracy and databases—is that the families most in need will be let down, because local authorities will not have the resources that would allow them to do something positive with the information that they are given. What else could happen? If local authorities obtain, in one way or another—from central Government or from their own resources—additional funds to invest in home education, and if we follow the Badman recommendations, we shall see local authority officers repeatedly entering homes and monitoring educational progress.

A fundamental principle of our system of government has been that parents are responsible for delivering the education of their children. It is parents who should take the lead, not the state. I fear that this draft Bill may change fundamentally the relationship between the state and parents, and that from now on the overarching responsibility for the welfare and education of children will be assumed to rest with arms of the state. The state will have to come in and satisfy itself that local authority officers cannot be sued and that their defensive position is watertight. We do not want them to get into trouble, so if we follow the Badman recommendations, they will have the right to enter homes.

I have another reason for asking the Minister to ensure that we hear a repetition of the Secretary of State's earlier pledge that local authority officers would not go into homes—if, indeed, I heard him aright. In June the Secretary of State wrote to Badman, saying that

> "LAs need greater powers to monitor...home educated children must be seen regularly in their education setting".

That clearly suggests that local authority officers would go into the homes of home educators, but it also suggests that the Secretary of State fails to grasp the nature of much of home education. There is not necessarily a classroom in the home. Home-educated children are educated in libraries, in local leisure centres, in the park and when visiting country houses. They are educated everywhere, and a great deal of their education takes place on an autonomous basis: in other words, the child leads the education.

Academics have studied this matter, including one at the Institute of Education in London. He said that he was sceptical at first, but has become convinced that autonomous education, including many of the alternative approaches adopted by home educationists, is tremendously effective, ensuring that children are educated in a way that is sympathetic to their needs and interests.

I hope that the Minister will tell us what percentage of home-educated children the Government expect to register. Will only families in one place be pursued and possibly prosecuted? Will peripatetic families escape the net? How much will be spent on ensuring that all children, or as high a percentage as possible, are registered on the various local databases? And—this is a key question for many home educationists—should failing local authorities be allowed to decide what a suitable education looks like, when so many of their own schools and institutions are not delivering? Is that right? Is it right for the state to take away from families the overarching responsibility to ensure the education of their children?

Why cannot the Government adopt a humbler approach? Why can they not invest more money in research, enabling us to gain a better understanding of who is not at school and who is being educated at home? Why can we not be given a better understanding of where problems might lie among electively home-educated people? Why can we not have a voluntary registration system, perhaps involving additional financial support for families educating children at home? The present position is absurd. A home educator told our Select Committee that one father had to pay £1,000 to cover the cost of GCSE exams taken by his daughter, although he was a taxpayer like the rest of us.

Why do we have to go down the compulsory route? Why do this Government always think they know best? Why can they not work with people on a voluntary basis, build up the picture and then and only then—with a complete picture and a real understanding of the risks in respect of safeguarding and education—come forward with proposals, which might involve compulsory registration if there is due and proper cause. Due and proper cause does not currently exist, and I sincerely hope those aspects of the Children, Schools and Families Bill that deal with home education will not become law.

3.25 pm

Mr. Robert Syms (Poole) (Con): First, may I make something clear for the record? Earlier in the debate, the hon. Member for Huddersfield (Mr. Sheerman) seemed to think that my generally cheerful and happy demeanour meant that I disagreed with his points about child pornography and the internet. I wish to state that I felt he made some very sensible, solid and powerful points about the protection of children, with which I wholly agree.

May I also say that it is a pleasure to follow my parliamentary neighbour, the hon. Member for Mid-Dorset and North Poole (Annette Brooke)? She made some excellent points about the protection of children. I know she feels strongly about that and has done a lot of work on it. It was nice of her to talk about Poole maternity hospital, too—and I know that she enjoys being a grandmother. All of us in Poole want to have a better maternity hospital. We all have an expectation of this project going ahead, and I hope we can somehow get through the current financial problems so that Poole can have a maternity hospital of which we can all be proud, and which is fit for purpose for the century.

I have been trying to work out how many Queen's Speeches there have been since I was first elected to Parliament. I certainly vividly remember the first one I attended, which was in 1997 and was replied to by Sir John Major. It was clear at that stage that the new Government were in the ascendancy; the place was packed with Labour Members. Some of us who had arrived in this place for the first time were keen to make a contribution, but the Conservative parliamentary party as a whole was very dispirited; that was clear from how

empty the Conservative Benches were. In that respect, things have changed a lot over the subsequent 12 or 13 years. This is the Queen's Speech of the current Government of course, and yet we have had only one contribution from the Government Benches so far—although we may have another powerful contribution in a moment. It seems that we on the Opposition Benches are keener to contribute than Members sitting on the Government side.

The Labour party abandoned clause 4 but it still seems to think that Whitehall knows best. It still thinks that if it pulls a lever, passes a law, or has a press conference in London, that will change the world. Indeed, a substantial number of the Bills that have gone through Parliament have had elements that have not been enacted or have not been introduced. From my experience of the past 13 years, I firmly believe that the only way of getting proper public services that are delivered well is to trust the people who are delivering them and those who are the recipients of them. I truly believe that decisions made in Dorset are generally better than decisions made in Whitehall. In terms of, for instance, the police authority, the fire authority or local government, an awful lot more can be done if we give people the resources and let them get on with the job, rather than always try to second-guess and always be introducing changes.

My experience of the health service over the past 12 or 13 years is that there has been constant change—health authorities have been changed, and there have been mergers. However, I have never known a change in the NHS or in local government to have either saved money or delivered better services; indeed, it is often a distraction from the delivery of decent services. If my party is fortunate enough to win the confidence of the British people in the middle of next year, one of the lessons that I hope my Front-Bench colleagues will learn is not to go in and immediately make fundamental changes. We should leave people in post, let them do the job, and give them clear targets. The "Whitehall knows best" approach is unsustainable.

I was going to mention home education, which my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) dealt with eloquently and in more detail than I had intended to do. There are many parents who are committed to educating their children—some because their children have special needs or autism, and it is the only way they feel able to educate them—who feel they have been stigmatised, although I know that that was not the Government's intention. They already undergo an inspection regime, which they feel is fundamentally wrong. I therefore hope that if the education Bill becomes law before the election, we can iron out some of these difficulties.

The speech of my hon. Friend the Member for Wycombe (Mr. Goodman) was measured and sensible, and it is a great pity that politics is to lose somebody who can make such a contribution; there are too few people in this Chamber who are thoughtful. He made some very good points, none of which I disagreed with. For example, he made a very good point about social mobility. One of my first experiences of politics involved Wiltshire county council. Several teachers who had retired decided to reappear on the county council. Most of them had grown up in areas of great poverty; some were from south Wales, and their fathers had been miners. They were able to enter and make a contribution to teaching because the education system was able to give them the qualifications and skills and get them out of the mining villages. As all the social statistics are saying, we have lost some of the social mobility that our grammar school system, in particular, provided for many of our less fortunate constituents. I hope that a Conservative Government look to tackle that issue. The idea behind Disraeli's "one nation" conservatism is to give everybody the opportunity to use the skills that they have to get on. We have lost a lot of that.

What do I support in the Queen's Speech? Well, the Flood and Water Management Bill is a good one; water is a valuable element. Subject to seeing the detail of the Child Poverty Bill, I think it a good thing that we will be legislating in that area. I do not think there is any great disagreement with the bribery Bill, and we Conservatives agree with the cluster munitions Bill. There are many Bills that we partly support.

I hope we will have the opportunity to table amendments to the Financial Services Bill that reverse what happened to the Bank of England. One reason why we are where we are with our finances is the changes undertaken in the first flourish of the current Government: they gave independence to the Bank of England, but took away that large and important element of bank supervision. The country lost a lot as a result, and the Financial Services Authority has never fulfilled the same role with the confidence that the Bank of England showed.

It is interesting that we have a Bill that promises the halving of our deficit. I am always a little suspicious when people put into Bills aspirations for the longer term, rather than actions to deal with the given issue. We have a major problem with the public finances, and it will be a priority for whoever is elected in the middle of next year. Unless we tackle it, our children and grandchildren will be paying the very real costs of dealing with the heavy level of debt and the associated interest payments, which will divert money from important public services unless we grasp the nettle at a very early stage.

Inevitably, it was a short Queen's Speech. We know that a lot of it will not be enacted before the general election, and that there will be a lot of "boxing" and political debate over the next six or seven months; that is politics—we are all trying to put the best case for the future of our country. My right hon. Friend the Member for Witney (Mr. Cameron) and our Front-Bench team now have a coherent policy programme that they can put to our country. That will make a major difference. I can honestly say that whereas the last three general elections were a foregone conclusion, the next one will be a fight, and there is a real chance that we can have a change of Government. That is what the British people want, and I hope it is a Conservative Government.

3.35 pm

Mr. Dennis Skinner (Bolsover) (Lab): I must apologise for not being here at the beginning of the debate, Mr. Deputy Speaker. The simple reason for my absence was that I was attending a memorial gathering at St. Martin-in-the-Fields for Professor Peter Townsend, who passed away earlier this year. It was a tremendous gathering of people who will remember him from his days at the London School of Economics and for being

[Mr. Dennis Skinner]

very much involved in the Child Poverty Action Group. Coincidentally, this Queen's Speech refers to the Child Poverty Bill and, in a way, I suppose that prompted me to think about coming in here to say a few words, especially given that this debate is on health and education, which are near and dear to my heart.

I listened to the hon. Member for Poole (Mr. Syms), who talked about passing laws. He said that that was almost a waste of time, despite suggesting a few at the end himself. It is important to remember that we do a lot of things in life and here in Parliament. We pass laws—Labour Members certainly do this—to try to better the lot of the many and not the few. That is one of the reasons why I wish to start off by talking about pleural plaques, which is a health issue.

A couple of years ago, the Law Lords, across there in the other place, decided that even though pleural plaques had been recognised for many years as the precursor to mesothelioma, which, as we all know, is one of the worst diseases that anyone can get, they would get rid of the compensation. I hope that the Minister of State, Department of Health, my right hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien) will pass the message on, although we have already had meetings with the Prime Minister about this matter. Although it is not specifically mentioned in this Queen's Speech, it comes under the general heading of "any other measures"—I suppose that expenses could be thrown into that too. It is necessary to ensure that we make progress on this issue to restore the position to what it was way back in 2007.

Another thing that I want to say to my right hon. and learned Friend is that we do not want a scheme that will be similar to the one that the miners had for chest disease and vibration white finger. That was a wonderful scheme in itself—it got us about £4 billion to £5 billion for miners who were suffering from chest disease and vibration white finger—but it had, built within it, a system that forced every miner to have a separate solicitor. The net result was that the solicitors got a lot of money out of it. I must say to the House that we do not have to have that kind of system, because our system for pleural plaques and for mesothelioma could have a different basis. It could be based on the scheme that we had for pneumoconiosis back in 1974 and 1975 and for the slate miners in Wales in 1979. What we did then was introduce benefits based on the severity of the disease; we are talking about perhaps 10, 15 or 20 per cent. and it did not matter which pit someone worked at, that was the amount of money they would get. The pneumoconiosis scheme was completed by the Labour Government in 1974-75 in next to no time. No solicitors were involved, no solicitors got paid and every penny went to the miners and to the slate workers in Wales. What I am saying is that from here on in the Government should remember that scheme and introduce a pleural plaques scheme on that basis, so that we steer clear of these solicitors' making a small fortune out of every case.

So, that is the first thing that I want to refer to today. The other is that we should also remember that help for cancer is very important. I speak with a bit of authority on this, although I never thought 10 years ago that I would. I believed, like a lot of people in this place, that I knew everything about a lot of subjects. I thought I knew a lot about the NHS but, frankly, I knew very little until I went in, when I realised that I had a big problem and had to have an operation to remove the cancer. It is then that we realise the importance of the NHS and of passing laws.

We raised the sum that was spent on the national health service from £33 billion in 1997 to about £106 billion today. When I lay there in that hospital, it was in the knowledge that more money would be coming from a Labour Government than had been in the tube. I do not think that we can avoid that argument. The Tories refused to support us in the 1 per cent. increase in national insurance and they made a big mistake. I am sure that they all recognise that now, because the national health service has grown in strength ever since we took that decision way back in 2001. That is why almost everybody who works in hospitals understands the ethos.

When I had a serious operation—open-heart surgery—in 2003, it was almost like being back in the pit. When someone is in intensive care, they see the wonderful teamwork. People can be seen answering telephones while dressed in suits, and suddenly patients see the same faces in nurses' uniforms helping because there is a crisis. It is like going back to those days when teamwork was essential working down a coal mine.

That is why we should all treasure the national health service. Of course, nobody is going to say that it is 100 per cent. perfect—it never will be. We have an ageing population—I am one of them—and once a person has been in, they keep going in. I have been to hospital in London more than 20 times ever since I had that operation. I have been for check-ups and for this, that and the other, hoping that everything is okay. That is why the £33 billion that is now £106 billion was not wasted on people who should not be there. A lot of people over the age of 60, once they start using the NHS, are going to use it for a long time. That is what we have to understand and what any Government will have to understand in the future. We must ensure that the NHS has the money to keep up that progress.

For instance, on dementia, a Bill will be introduced that will help people with dementia in their own homes. Everybody knows that it is a problem—the longer people live, the more likely it is that there will be many more cases of dementia. That is why I spend my time doing not just ordinary sudoku but killer sudoku to keep my mind going, hoping that I will not suffer the same fate as my mother and my sister, who both suffered from that terrible disease. That is why I welcome that Bill, if it will give some comfort to those people who suffer from that terrible disease.

We are debating schools today, too. It is important to remember that in the first 25 years for which I was a Member of Parliament, I almost never attended a school opening in my constituency where a substantial addition had been made to the school or where a new school had been built. I do not think that there were more than 10 in those 25 years. One thing that we should always remember in this imperfect world—nothing is perfect in schools, either—is that I have attended more openings of schools in my constituency in the past 10 years than I did in the previous 25.

In the past, people have heard me arguing in the House about a Church of England school that had hydraulic pit-props holding up its roof for 17 years. Under the Tory Government, I could not get anything

done, but it was one of the first things that happened under Labour because we injected a load more money into schools. We now spend about two and a half times more on schools in real money than in 1997. The result was that I got a new school in Bolsover. The Church of England school has been moved away from the castle to Welbeck road. There is a brand-new school. The kids have been down here about three times on visits. The same thing is true right across my constituency and I am sure that it is mirrored up and down the country. I want to ensure that it continues.

The health service will be a big issue at the next general election. As I said, we are already spending £106 billion. When we look at what is happening in the United States, we can appreciate just how valuable the NHS is. Everywhere we go, people tell us what a wonderful service it is now.

There are about 47 nationalities in the London hospital I go to. People on the right wing—the British National party—talk about sending people back. I do not know where. Forty-seven nationalities—I counted them when I was in hospital for all those weeks. I finished up with a United Nations heart. I had a Dutch doctor, a Syrian cardiologist and a Malaysian surgeon—the same one who operated on the last Speaker but one, Betty Boothroyd. He is one of the top five in the world. All those people worked together. If I had been in hospital for that open-heart surgery another month, I would have sorted out the Israeli-Palestine issue. All the ingredients were there. In a hospital, it does not matter where people have come from—they all work together. That is what we should remember when we hear talk about differences and sending people back. That is why debate is important.

We are beginning to come out of the recession. There is no question about it; it has been a terrible period, but there are enough green shoots to indicate that things are moving the right way at last. I forecast that would be the case at Prime Minister's Question Time about three months ago. I have been looking at the unemployment figures, and for the past two months, they have been going in the right direction. I thought it would be the turn of the year before we would see that. It is a wonderful and valuable indication of the fact that the stimulus we injected in the economy is beginning to work, particularly on jobs. We should remember that in the run-up to the next election. It will be a very important factor, because there will be better economic news every single month from now until we have the election in May, June or whenever.

How did we get into that mess? The world got into that mess because of what I call, loosely, instant gratification. Over the past 20 to 30 years, people have believed they could get summat for nothing. We have been living in a credit card society where people do not appreciate that they have to struggle to get something valuable. They have been able to get things at a whim. That instant gratification spread through families and through bankers, who believed there would be money to burn for ever. The net result was that everything fell in a heap and we have had to sort it out.

People say that we have been saving banks, but I do not use that language. I say that we intervened in Northern Rock, HBOS, the Royal Bank of Scotland and others simply because 70 or 80 per cent. of our constituents had deposits in those banks. All of us across the House recognise—or should do—that we had to save the banks because if we did not, we would not have saved all our constituents' deposits in those banks. We saved the deposits, and we should say that time and again.

As for bankers, Members can put me on any list that calls for a curb on bankers' money and bonuses; I will sign any such motion that is put in front of me. But believe me, we had to intervene. If one of the large banks had fallen, the rest would have fallen like a pack of dominoes, and we all know that. However, we saved our constituents' deposits. There are six months or so before the next general election. The two issues that we are discussing—education and the national health service—will be major factors in that election.

I believe in the argument that we should spend money now to get the unemployment total down; that is more important than saying, "We'll do it some time in the future." We do not want another 1929 to 1935. My father was out of work in the pits for all those years. Some people say that the recession ended in '32, but by God it did not. It lasted much longer than that. It was only when German rearmament took place under Hitler that our Government suddenly realised that they wanted more coal, and my father and his mates were able to get back to full-time work in the pits. We have put in place a scheme to avoid that, and to get people back into work now; that is what we should work on in the next six months and beyond.

I will look forward to another Labour Government administering the national health service, which looks after me and everybody else. Whatever people say about big government, the national health service is very important to us when we are lying on that hospital bed; by God, we are thankful for it.

3.52 pm

Mr. Lee Scott (Ilford, North) (Con): There are not many occasions on which I agree with the hon. Member for Bolsover (Mr. Skinner), but there is one issue on which I do: the importance of a national health service. Last night in my constituency, I held a meeting, and more than 200 people turned up to hear about the plans to cut accident and emergency and other services at the King George hospital. That hospital serves my Ilford, North, constituency and is based in the neighbouring constituency of Ilford, South. Not one person in the room, with the exception of the representatives from the primary care trust, thought that it would be a good idea to cut services in the accident and emergency department. Not one of the clinicians who came to see me beforehand thought that it was a good idea. The only people who said that it was a good idea were the people from the primary care trust who proposed it.

I asked what would happen if someone was knocked down outside the King George hospital. I was told that even though it has an active accident and emergency service, they would not be seen there, but would be taken to Queen's hospital in Romford. That is a new hospital, and I am very happy that the people of Romford have it, but we have to look at what it has replaced. There was a hospital in Harold Wood; there was already a hospital in Romford; and there was the King George hospital. Now the proposal is for just one A and E department, based in Romford, to serve all my constituents.

[Mr. Lee Scott]

In the London borough of Redbridge, where my Ilford, North, constituency is located, there has been a lot of house building over the past few years, and more is taking place over the next few years. Those homes are needed, but where are the services that the people who live in them will use? Where will those people be taken if they are ill?

Despite the fact that it has been a difficult year for every Member of this great House, I believe that one of the greatest honours that anyone can have is to serve as a Member of Parliament. When we are elected, we are elected to represent the people who put us here and their interests. That is what I pledged to do, and that is what I will continue to do while I have the honour of serving as the Member of Parliament for Ilford, North. To those ends, I ask, as I did earlier when I intervened on the Secretary of State for Children, Schools and Families, the Government to intervene, to stop the proposals now and to impose a moratorium. I thank my party's Front-Bench spokesmen for saying that they support that. There should be a moratorium until after the general election, when what is best for the residents of Redbridge—for my constituents—can be considered and discussed outside a political forum.

At last night's meeting, a member of the primary care trust said that he wanted the NHS to become like Marks and Spencer. Those were his exact words, and they will be reported in the local press, which chaired the meeting. He said that he wanted the success of Marks and Spencer to be repeated in the NHS, because it gave its customers what they wanted. Well, the customers of the NHS in the London borough of Redbridge do not want to lose their accident and emergency department. If it were lost, it would be the equivalent of Marks and Spencer saying, "This is our best-selling line, so we're not going to stock it any more." I urge the Government to make the intervention that I have requested, and in the winding-up speeches perhaps we will hear whether they are willing to do so and put a stop to the closure now.

I shall move on to an education matter: the plight of children suffering from autism and Asperger's. There is a postcode lottery, but there is no one-size-fits-all solution for those children, who are some of the most needy in our community. In various debates over the years in which I have been in the House, I have called for the ring-fenced funding of education provision for children suffering from autism and Asperger's. The issue was not mentioned in the Queen's Speech, but I ask whether it, too, can be looked at under the heading, "Other measures". Those are the two points that I felt it vital to get across, and, on behalf of my constituents, I ask that they be listened to and acted on.

3.57 pm

Bob Russell (Colchester) (LD): You represent a Suffolk constituency, Mr. Deputy Speaker, and you share with the county of Essex the birthplace and home of the country's greatest landscape painter, John Constable. He, of course, is famous for his broad canvasses, but within them there is a great attention to detail, and later on I shall turn to that point. Government Ministers will be pleased to know that every Constable painting had a dash of red to attract attention—*[Interruption.]* And it has just worked.

The Gracious Speech states:

"My Government will work to build trust in democratic institutions...Legislation will be brought forward to introduce guarantees for pupils and parents to raise educational standards."

It continues:

"My Government will legislate to protect communities... My Government is committed to ensuring everyone has a fair chance in life and will continue to take forward legislation to promote equality, narrow the gap between rich and poor and tackle discrimination."

and that efforts will be made to

"abolish child poverty by 2020."

We are now in the 13th year of a Labour Government. In 1997, the number of children in child poverty was estimated to be 4.5 million, and after 12 years of a Labour Government—a new Labour Government—there are approximately 4 million children in child poverty. What a damning indictment of any Government that so many children live in child poverty. One only has to look at the efforts of Shelter to focus attention on the Government's failure to provide decent housing for all our people, despite having the world's fifth richest economy. After 12 years of a new Labour Government, they should hang their head in shame. Ministers are completely ignoring this speech, as they have ignored the plight of the homeless and of children for the past 12 to 13 years. What an indictment of any Government that they cannot even house their own people and can tolerate 4 million children living in poverty.

In responding to the Loyal Address, the Leader of Her Majesty's Opposition said:

"A real Queen's Speech would not tinker with the education system, but would break open the state monopoly, allowing new schools to be set up and giving parents more choice."—*[Official Report*, 18 November 2009; Vol. 501, c. 19.]

Clearly, more choice must include the status quo in instances where the parents wish the status quo to remain. This is where I come to the detail in the broad John Constable landscape painting. Last May, in Children, Schools and Families questions, the Secretary of State said, in response to a question from me, that in respect of secondary school reorganisation in Colchester, Essex county council's preferred way forward was for Alderman Blaxill school and Thomas Lord Audley school to remain and operate as a trust. The following day, I had a meeting with the then Schools Minister and officials, in which we were given assurances that by September last year a federation of those two schools and Stanway school could be in place, under the executive headship of the inspirational head teacher, Mr. Jonathan Tippett.

I regret to inform the House that within weeks Essex county council went back on that promise—the pledge that it gave to the Government and which was repeated here—and announced that it was going to close Alderman Blaxill and Thomas Lord Audley schools. Bearing in mind that Colchester is the fastest growing borough in the country, it said it would transfer the children to other schools, one of which, as we now know—it was never put in the public domain, but the leader of Essex county council has confirmed it to the leadership of Colchester borough council—would have to expand to 2,500 pupils. To the best of my knowledge, Conservative Front Benchers do not wish to have secondary schools of up to 2,500 pupils. Members may recall that I raised this issue two weeks ago at Prime Minister's Question

Time. I should like to put on record my appreciation to the Prime Minister and to the Department, which is considering what I have said.

The Government have referred, although not today, to the concept of super-heads, and I am grateful to the shadow Secretary of State for welcoming that proposal. I urge Ministers to reiterate the fact that it is Government policy to encourage the concept of super-heads. I was not too enthusiastic when I first heard about it, but one particular head, Mr. Tippett, has transformed Stanway school into arguably the best secondary school in Colchester—I have to say "arguably" because other schools may disagree. He has transformed Thomas Lord Audley from a failing school to one that last year produced the best exam results in its history, sailing past the Government's artificial target of a 30 per cent. pass rate. In Septemfber this year, the number of pupils joining at year 7 was the highest for many years; and this at an allegedly failing school in a town of falling rolls. The numbers simply do not add up.

I will turn to Building Schools for the Future and Partnerships for Schools in a moment. I am not in the business of wasting public money—*[Interruption.]* If those on the Government Front Bench will give us the courtesy of listening to the debate, I would like to ask a question. This is rudest display I have witnessed in 12 years in this place—Ministers are simply not listening to the debate. That is discourteous to the House, to me and to my constituents. I am grateful that one Minister is now listening.

My question is this: where is the capital funding for the further education sector? For more than 100 colleges around the country—although not 13 or 14 in Labour-held seats—money has been stopped. Building works were promised and were under way, but the guillotine fell. I have a further education college in my constituency that is a building site. We need an explanation for that.

Why, after 12 years of a new Labour Government, is funding per student in sixth-form colleges less than the funding per head in a school sixth form? There are two selective schools in my constituency. Funding for their students is greater than the funding per head for students attending the successful Colchester sixth-form college, which is arguably the most successful sixth-form college in the country. We need an upward equalisation so that students at all sixth-form colleges, of which there are more than 100 across the country, are treated on the same basis as students attending school sixth forms.

The Chairman of the Children, Schools and Families Committee, the hon. Member for Huddersfield (Mr. Sheerman), referred to the Education Act 1944. I encourage Ministers, their advisers, researchers and experts, to look at that Act, because in the midst of war, politicians from all parties realised that something better for the young people of this nation was called for. The Act was about more than just teaching in the classroom. It was a passport for young people for future generations. It was for education, but it also dealt with social matters, through the school meals service, and, linking with the health aspect of the debate, it introduced medical, eye and dental checks. If this Government, or any Government, could get back to the ethos and principles of the 1944 Act, many aspects of the health problems in this country would be addressed. I urge the Minister to look at the thinking behind the Act and the cross-party consensus that brought it about.

By happy coincidence, today is the seventh anniversary of my presenting to the House the First Aid Training in Schools Bill under the ten-minute rule. I urge this Government, or any Government, to think about that measure. If our young people, from the age five upwards, were given first aid training in schools, they would automatically learn every aspect about themselves—good eating and healthy lifestyles as well as the dangers of excess smoking, taking illegal drugs and substances, obesity and so on. That would bring together health and education and dramatically reduce the number of people who end up at accident and emergency departments who, frankly, should not be there.

I referred to the extraordinary behaviour of Essex county council and intervened on the shadow Secretary of State, the hon. Member for Surrey Heath (Michael Gove). When the Essex county council consultation went out to the good people of Colchester, 96 per cent. said no to the proposals. We had the extraordinary situation about 18 months ago that education officials—the professionals—were putting forward a case for closing two schools and amalgamating them on one site as an academy. However, they were told by their political master—the person who took over the education portfolio after he had dispensed with the previous post holder's services—that both would shut. The schools would not be amalgamated, and the children were to be shipped away. The Tory leader of the county council said to me, "I've got to get those children off those estates so that they can be taught with the children of more aspirational families."

What a gross insult to the people on the Berechurch, Shrub End, and Greenstead estates! The leader of the county council was saying that it was all right for children to live there, but that they would have to be removed for teaching between the hours of nine and four, or whatever, when they could be shipped back. That is not on. I am not having any part of my constituency treated in that way. I am looking to the Government to deliver that part of the Queen's Speech which is about not being a party to discrimination.

However, we know that the county council's figures do not add up. As I said, Colchester is the fastest growing borough in the country, and I am grateful to a parent, Mr. Joe Slatter, who is the father of twins at a local primary school. He has done his own research, based on the county's figures, and he told me this morning that Essex county council will run out of secondary school places because the number of primary school places required is soaring.

There are 600 extra primary school pupils in Colchester today than Essex county council originally planned for—the equivalent of an entire primary school, and a bit. One new primary school opened in September, and two more are planned. The town is growing—booming—but the county council proposes to shut the two secondary schools in the south of the town, with the children to be shipped elsewhere. That is all part of a £130 million expansion programme for existing schools.

Where is the parental choice when 96 per cent. of those who respond to a consultation say, "We don't want these two schools shut"? I know that I am having a pop at the county council, but I am looking to the Labour Government—the Government of the day—to ensure that my constituents get fairness and justice.

[Bob Russell]

There is a nice little aside to this: because of the Conservative party's absurd policies in my town, Colchester is one of the few places in the country where the Tories have lost ground in the borough and county elections held over the past two years. They lost five seats and control of the council last year, and they just managed to hold one of their county council seats this year, although their majority was slashed by more than 1,000 to just 19. We nearly had a clean sweep, so in political terms I am grateful to Essex county council Conservatives for all that they are doing.

According to my constituent Mr. Joe Slatter, it is forecast that by 2014 there will be an additional 1,561 primary school pupils. My experience is that primary school children usually tend to become secondary school children, but that figure is based on the children who we know are already born and breathing and does not take account of the massive new house building programme. I accept that that is temporarily in abeyance, but at my advice surgery on Friday I had my very first parent from the new housing being built on the old garrison. That person cannot get a child into either of the two nearest schools because they are both full up. We already know the numbers that will be involved, and the Government must intervene.

I welcome investment in education in my town. We all do, but that is the broad picture and I want to explore the detail. I do not support wasteful public expenditure. In the current economic climate, there is no guarantee that the £130 million that the county council has talked about will materialise. Members of the Conservative administration in the county council want to rush the closure project through, and the irony is that they are doing so because they fear that there will be cuts if their party forms the next Government.

I find that ironic. There is no guarantee that the £130 million will materialise, and in any event it would be much cheaper to the public purse, in both capital and revenue terms, if the two threatened schools remained open and serving their local communities, because several hundred thousand pounds a year will be needed to transport youngsters. The journeys will be 2 to 3 miles in the case of my constituents, but in the case of those in the neighbouring constituency, they will be tortuous 14-mile journeys across country from West Mersea on the island of Mersea across to Tiptree. They are not my constituents, so I cannot speak for them, but I can speak for my constituents, who do not want their schools shut.

There is now clear evidence that the Office of the Schools Adjudicator should investigate the situation. Unfortunately, getting the matter before it is virtually impossible. A Member of Parliament cannot do so, nor can Colchester borough council, but I hope that the Government can say to the OSA, "Please investigate these figures, because they do not add up." We know that there will be a shortage of secondary school places in Colchester. The capital sum required for the secondary schools reorganisation under Building Schools for the Future could be dramatically reduced by retaining the Alderman Blaxill and Thomas Lord Audley schools. It is agreed that the Sir Charles Lucas secondary school in the north of the town needs to be replaced. I do not agree that it should be replaced with an academy, but I can park that argument for today. I urge the Government to refer the whole Colchester secondary school reorganisation proposal to independent review by the OSA.

Incidentally, I understand that the county council is not so sure of its case anyway. In a letter that I have with me from the leader of Essex county council to the leader of Colchester borough council, he tries to explain what would happen if a new access road were not provided to one of the secondary schools. I find it hard to believe that the whole future of a £130 million Building Schools for the Future project depends on an access road being put across a piece of public open space.

Earlier this month, the Minister for Schools and Learners wrote to the leader of Colchester borough council, stating:

> "Partnerships for Schools...has not yet had any formal discussions with Essex County Council about its plans for the Colchester schools".

Interesting. In a letter to me dated three days later, 12 November, Partnerships for Schools stated that

> "to the best of our knowledge there has been no communication between Essex County Council and Partnerships for Schools with regard to the new access road...Partnerships for Schools has yet to engage formally with Essex County Council on the development of these proposals."

There was then confirmation from the leadership of Colchester borough council that the leader of Essex county council had told them that the Philip Morant school would need to expand to up to 2,500 pupils.

In an open and democratic society, we cannot have Essex county council or any council proceeding on figures that have been massaged or claims that do not stand up to examination. For example, it has put forward the case for the BSF expenditure on educational grounds, yet I am told that Colchester has the sixth highest GCSE results of all the parliamentary constituencies in Essex and is above the Essex average.

What is going on? I believe that what is going on is that Colchester is the only local authority area in the whole county of Essex that is not run by the Conservatives. The inspirational leadership of Mr. Jonathan Tippett has turned around not one, not two but three secondary schools. He is exactly the sort of executive head or super-head that the Government say they want. There is already a guy there doing it, so let him do it.

If necessary, why can the Government not remove those three schools from Essex country council? That is what the population wants. It has no confidence or trust in the council or its officers, who, 18 months ago, made a case to justify amalgamating two schools, but who were then obliged, because of a direction from the political leadership, to do away with two schools. They then came forward with arguments that are now rapidly unravelling. I urge the Government to consider the details of the situation, because it is not acceptable.

In conclusion, I point out that the leader of Essex county council is also a shadow Minister in Her Majesty's Opposition in the other place.

4.20 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am grateful to have the opportunity to respond to this interesting and, in many respects, good debate.

My right hon. Friend the Leader of the Opposition, and the Prime Minister, at the start of their responses to the Gracious Speech, talked about the recent losses in Afghanistan. Last Sunday, Rifleman Andrew Fentiman, from my constituency, died in Helmand province, so is now among those whom we have lost. His lieutenant, Lieutenant Heap from 7th Battalion the Rifles, said of him:

"He died alongside his friends doing a job he loved".

That says something powerful about the nature of the young people serving in Afghanistan. It should also further reinforce our determination to ensure that they have every support they need—by support, I mean not just equipment and other physical support, but moral and political support for their job in Afghanistan. I want to express our deepest sympathies to Andrew Fentiman's family in my constituency.

It has been an interesting debate. The hon. Member for Colchester (Bob Russell) told us about education in Colchester. He was right to instance Rab Butler in the 1944 Education Act, and in doing so he struck a note in harmony with that of the hon. Member for Huddersfield (Mr. Sheerman), who was one of only two Members to speak from the Government Back Benches, but who, in talking at the outset about the history of education policy, and the consensus, in many respects, on it, struck a powerful contrast with the Secretary of State, who sought not a consensus, but only to create his own absurd self-styled dividing lines, the purpose of which clearly is to manipulate educational policy for party political advantage. As far as I can tell, it comes to nothing.

Indeed, much of the Queen's Speech seems to have been constructed around party political opportunism rather than public interest. That is a great pity, because we have talked today about two subjects—education and health—in which often, in the midst of debating, we find that we have shared objectives. We might have differences of opinion about the means by which those objectives can be met, but so often we have shared objectives and sometimes, as it turns out when we get into the debate, a great deal of commonality on what some of the underlying mechanisms should be.

My hon. Friend the Member for Worthing, West (Peter Bottomley) echoed what he had previously said we should see in the speech from the hon. Member for Thurrock (Andrew Mackinlay). He touched on a range of subjects, but in all respects was interesting, brief and to the point. In particular, I was struck by what he and—in an interesting speech—my hon. Friend the Member for Bexleyheath and Crayford (Mr. Evennett) said about education. They highlighted the importance of the quality of teaching. My hon. Friend the Member for Surrey Heath (Michael Gove) said from the Front Bench that the quality and status of teachers is central to the improvement of education.

If I may digress for a personal moment, my two hon. Friends reminded me in their speeches that 12 and a half years ago, shortly after I came here, my old politics teacher at Brentwood school in Essex retired. He visited Parliament for tea, and there were four of us who gave it to him: two Labour Members—the right hon. Member for Blackburn (Mr. Straw) and the hon. Member for Leeds, North-East (Mr. Hamilton)—along with myself and our former hon. Friend Howard Flight, the then Member for Arundel. Our teacher had taught us all politics and inspired two Labour Members and two Conservative Members, which struck me as an admirable illustration of his capacity as a teacher. There were no Liberal Democrats, I hasten to add, as he was clearly a man whose inspiration to the art of politics obviously had all the right effects.

My hon. Friend the Member for Ribble Valley (Mr. Evans) echoed the point that was made by the hon. Member for Huddersfield about young people getting a bad press. He also touched on an important health issue. The National Institute for Health and Clinical Excellence has said in a decision—I hasten to add that it is a provisional decision—that it does not propose to recommend sorafenib as a drug for primary liver cancer, which is a very serious disease. Only about 5 per cent. of those diagnosed with primary liver cancer are alive five years after diagnosis. There has been an increase in the number of people with primary liver cancer of about three and a half times in the past 30 years, so the issue is important. Even though it may have limited effects, sorafenib is recognised as the only drug of its kind available for treatment, as most patients at that stage will be beyond surgery.

If the Government are talking about guarantees, as they are in the context of patients' rights in the NHS, we have to find a means by which patients recognise that they have guaranteed access in the NHS to the treatment that they need when they need it. With sorafenib, of course it is unacceptable for pharmaceutical companies to have limitless opportunities to produce new drugs and simply ask the NHS to pay any sum of money. That is why I have made it clear that it will be our intention, the electorate permitting, to move to a system of value-based pricing in the NHS, so that the reimbursement price to pharmaceutical manufacturers should reflect the value of that medicine—the therapeutic value, the innovative value and, where appropriate, the wider value to society.

On that basis, the question should never be, "Should this drug be available on the national health service?" if it is licensed and effective; rather, that drug should be available for patients, and clinicians should have access to it. Then the argument will be between us and the pharmaceutical companies about what the appropriate reimbursement is. However, if we all genuinely believe that patients must come first, we must ensure that they have access to the medicines that they need, so I am grateful to my hon. Friend the Member for Ribble Valley for making that point.

Mr. Evans: I listened to a patient speaking on the television this afternoon about the treatment that he receives. He gave the example of Norway, which is another country where the drug is made available. Does my hon. Friend agree that patients in this country who need that cancer drug will find it rather bizarre that it seems to be available in so many other European countries, yet not here?

Mr. Lansley: My hon. Friend makes an important point. I remember talking to a consultant oncologist—working in bowel cancer, as it happened—who said that she was embarrassed at international meetings that her colleagues across the world had routine access to cetuximab to treat bowel cancer. She worked at one of the regional centres of excellence in this country, but every time she wanted to prescribe cetuximab for a patient, she had to

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go through the long and bureaucratic process of explaining why it was exceptionally justified in the case of that patient.

Ministers asked Professor Mike Richards to undertake a report, which they then brought here and which the Secretary of State's predecessor said would mean that patients would get the drugs that they needed. That has not happened and we need a further reform to make it happen.

As I said, my hon. Friend the Member for Bexleyheath and Crayford talked about education, but he also mentioned Queen Mary's hospital at Sidcup. Having visited with him and talked subsequently to managers of the new trust formed in south-east London, I hope that additional services will be based at Queen Mary's in future. Looking at the population, there is obviously an opportunity for access to cancer services, for example, based at Queen Mary's. I hope that we can look to a positive future for hospital services based in Sidcup.

My hon. Friend the Member for Wycombe (Mr. Goodman) and I have often discussed maternity services. I share entirely his view that the NHS seems to be in constant revolution as an organisation. Organisational upheaval and reform do not seem to correlate well. The organisational upheaval over the past decade seems to have impeded reform rather than furthered it. It is therefore important for us, as my hon. Friend says, to give people structural stability while ensuring that the dynamic process of reform happens. One touchstone of that will be, as he has stressed in his own constituency, the need for patients and local clinicians to be able to make decisions about where services can best be provided. He has been an effective advocate on behalf of his constituents. For that and for all the other reasons that he demonstrated in his speech, we will certainly miss him after the election in this place.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) talked about the problems of child abuse and the number of children contacting ChildLine, and I note the extent to which children are now subjected to online bullying—cyberbullying. The other day, at Netherhall school in my constituency, I met a group of young people who I thought were doing an excellent job as cybermentors, in the school and online, to people who feel themselves victims of cyberbullying, helping them to deal with it effectively. That is just one more good example of the importance of recognising that there are many impressive young people doing very good things, which we should celebrate.

My hon. Friend the Member for Beverley and Holderness (Mr. Stuart) talked about home education, making some important points that tell us something broader about the nature of the relationship between the state and public services. Sometimes we have to trust people more. We have to trust that the decisions that parents make about their children and that patients make about their health care will sometimes, individually and in aggregate, be better than those made by a bureaucracy. I echo the point made by my hon. Friend the Member for Poole (Mr. Syms) when he said that decisions made in Dorset were better than decisions made in Whitehall.

The hon. Member for Bolsover (Mr. Skinner) made the only other contribution from a Labour Back Bencher. I have counted 11 Back-Bench contributions, two from the Government Benches and nine from this side of the House. I am afraid that that is a telling and damning indictment of the Labour party's commitment to its own Government's legislative programme. It is the weak legislative programme of a tired Government clearly incapable of being supported by a tired Labour party that has run out of time, ideas and steam.

However, it turns out that one person who never runs out of steam is the hon. Member for Bolsover. His killer sudoku seems to be working. I must say to him that his point about the impact of an ageing population on demand for health care services was right. On that basis, my right hon. Friends the Member for Witney (Mr. Cameron) and the shadow Chancellor and I have made it clear that we are committed to real-terms increases for the national health service in the life of the next Parliament. I must tell the hon. Gentleman that that commitment has not been matched by his own Prime Minister or those on his own Front Bench.

My hon. Friend the Member for Ilford, North (Mr. Scott) talked about a meeting that he held last night in relation to the accident and emergency department at the King George hospital. He said, rightly, that we need to ensure—if necessary by imposing a moratorium after the general election, if the electorate permit us—that the proposals are not based on the impact of the European working time directive or a response to the failures of management. As my hon. Friend knows, there have been sequential failures in management of the health service in parts of north-east London, including his area. Rather, decisions about the configuration of services, particularly the commissioning decisions of local general practitioners, should respond to the needs and wishes of local people. There is no way that we should allow bureaucratic organisations to pre-empt access or service decisions made by local commissioners on behalf of local people under the sort of devolved decision making in the health service that we hope to introduce.

Mr. Scott: I do not wish to be cynical, but could the proposed cuts possibly be based on the fact that there is a £110 million deficit in the trust, which I believe is the worst in the country?

Mr. Lansley: It may well be. One of the worst reasons for denying people access to health care services is as a result of the failures of management that have allowed deficits of that kind to build up. If it is the consequence of inequalities of access under the funding formula, we need a more independent and transparent process, as my hon. Friend the Member for Wycombe rightly said, by which resources for the NHS are distributed across the country on the basis of a fair assessment of the prospective burden of disease in each area rather than on the Government's distorted funding formula.

We have talked a little about the NHS during our debate, but of course the Gracious Address does not actually refer to it. Health care is not mentioned in it. Arguably, then, on the basis of the Queen's Speech, this debate should not be about the health service. I think I know, however, why there was no mention of the NHS in the Queen's Speech; it is because the Government have no ideas about what to do in the NHS. Their reform programme has completely stopped. Three years ago, Tony Blair, who was then Prime Minister—

Michael Gove: Where is he now?

Mr. Lansley: Where is he now? I do not know. Perhaps he is somewhere in a corridor outside the Council of Ministers in Brussels—who knows? Three years ago, Tony Blair as Prime Minister said that there were drivers of reform in the national health service and that practice-based commissioning was going to be one of them. It stalled. The national clinical director for primary care at the Department of Health said the other day that practice-based commissioning was a "corpse" that was "not for resuscitation" and was

"certainly not seen as a major vehicle for change".

Payment by results, instead of payment by activity, is an absolutely instrumental process in trying to deliver the services we need in the NHS. It needs to be introduced and it needs to be reformed. It has stalled. Progress has not been made to the extent that it should have been. The Government literally took their feet off the accelerator on payment by results simply because they did not realise that it was bound to have an impact on the distribution of resources between hospitals. What they should have done is to move faster to a much more effective payment-by-results system that accurately reflected the costs of different procedures.

Payment choice is supposed to have been offered by April 2008, yet the latest patient choice survey shows that still fewer than half of patients feel that they have been offered any choice, while foundation trusts were supposed to be another driver of reform. Last year there were 28 new foundation trusts and there were 28 in the previous year; this year, there have been eight so far. The Health Bill of the last Session before prorogation showed the Government moving towards trying to de-authorise foundation trusts rather than to authorise more of them.

On the independent sector, the NHS should be open to new providers, which is also important, as my hon. Friend the Member for Surrey Heath made clear, in the schools context. The Government have gone into reverse. Instead of having a policy of any willing provider who will meet NHS standards within NHS prices, which is the policy that we have consistently argued for and I thought that the Government had accepted, the Secretary of State writes a letter to the general secretary of the Trades Union Congress announcing a U-turn, saying that the NHS is going to be a preferred provider. Frankly, he was saying, social enterprises and the independent sector can go hang. The right hon. Member for Darlington (Mr. Milburn), who is not in his place, described this as "a deeply retrograde step". He said:

"If we are going to drive efficiency, productivity and quality on the scale required, the last thing you do is renew a monopoly and say your existing provider is your preferred one."

So the former Secretary of State, who launched the NHS plan that the Government were supposed to be pursuing, himself says that the Government have abandoned the process.

The only thing that the Government did not include in the Queen's Speech—although they had previously suggested that it would be included—was the idea that their targets should be turned into guarantees. The guarantees to which they have referred do not seem to be the kind of guarantees described by the Secretary of State for Education; they are narrow-process guarantees.

The NHS equivalent of the education guarantee would be "All patients should have access to good-quality treatment when they need it, where they need it, and from the person from whom they wish to receive it." That is the sort of guarantee that we are seeking, but it is not the guarantee being offered by the Government. The Government's narrow-process target suggests that if a patient receives treatment within 18 weeks that is good enough, but there are many patients for whom it is not good enough. There are many patients whose maximum waiting time should relate to their condition and circumstances. Just as education should be built around the individual needs of children, health care treatment should be built around and assessed according to individuals' health care needs.

Because of the way in which the Government's target approach works, hospital clinicians often find that the bureaucracy has ordained that patients who have been referred should not see a consultant for eight weeks, and that a decision can be made after that. The consultant will suddenly find that a referral has been made without his or her knowledge, and that it relates to a patient who should have been seen on a more urgent basis. The problem is that patients are treated as if they were on a production line rather than on the basis of their clinical priorities. Identifying clinical priorities is central to providing patients with good-quality treatment in the future, although, in the case of many patients, that does not preclude the provision of quality indicators demonstrating the standard of treatment that should be provided. What I am saying—we have been saying it for a very long time—is only exactly what the Secretary of State himself said in January 2007. He said then:

"Overall, from 2009, there should be fewer national targets...Targets and priorities should be set locally wherever possible, within national service frameworks and national standards such as those set by NICE."

We are looking for quality indicators set by NICE—the National Institute for Health and Clinical Excellence—making it clear what should be the basis of a contract between the commissioners and the providers of health care services. When the Government talk about legally enforceable rights, what they mean is that, through the contracts, patients should have access to the rights to treatment that are specified in the contract between commissioner and provider. That is exactly what we are talking about, and that is the kind of guarantee that we should be talking about. What we need in future is for patients to know what are their entitlements to treatment, and to know that those entitlements are reflected in the commissioning undertaken by their GPs on their behalf. The Government's "legal entitlement" is no such thing. What they are describing is simply an expression of a wish in the NHS constitution—a wish that, if it is to become a reality, must be turned into the contracts made between commissioners and providers.

As I have said, the Government talk of guarantees, but where is their guarantee of access to the medicines that patients need at the point at which they need them? Where is their guarantee that patients will have access to a "zero tolerance of infection" environment in hospitals? We may talk of waiting times, but there is clear evidence that patients also want—perhaps want even more—to know that they are entering an environment in which they are much less likely to acquire an infection. The Government have not offered that guarantee, and, in

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fact, the number of MRSA infections acquired by people in hospital is now three times higher than it was in 1997.

Where is the Government's guarantee of access to choice in maternity services or in end-of-life care? Where is the guarantee of access to local accident and emergency services to which my hon. Friend the Member for Ilford, North referred? If the Government are talking about guarantees and access, why are those kinds of access completely left out? If we then go down the path of making sure patients have such access, and we focus on the degree of quality that needs to be built into decisions on the purchasing of health care, we can concentrate on the outcomes. We can then move beyond the narrow targets that have been the obsession of this Government and that have distorted clinical priorities—and that in places such as Stafford have led, frankly, to the death of many patients who were discharged from accident and emergency departments on to wards to languish and to die. We can then also start to make up the difference between where we are and where we need to be in respect of so many of our key, great public services, including education and health.

There remains a persistent and unacceptable gap between the quality of outcomes achieved in this country and those achieved in some of the leading countries elsewhere in the world. In respect of health, since 1997, despite increasing spending threefold—as the hon. Member for Bolsover said—our ranking among European countries on deaths from disease has slipped from ninth to 10th. More people die in this country from diseases that are amenable to health care than the average for Europe. We have fallen behind other countries in our deaths from cancer rates, too. Deaths from lung disease—such as mesothelioma, which the hon. Gentleman talked about—are 75 per cent. higher in this country than the European average. People in the United Kingdom are twice as likely to die prematurely from a heart attack than in the best performing country in Europe, which is France. That is where we need to be. We must have the ambition to have the best outcomes in Europe—not just to spend as much as other countries in Europe, but to have outcomes that are at least as good as any in Europe.

I want to mention two other important matters. First, the Government have announced this afternoon that they will extend the swine flu vaccination programme to the main carers of those who are very vulnerable and living at home, which I welcome, and to children aged between six months and five years. I welcome that, too; indeed, I have been making it clear to the Secretary of State for some considerable time that, as has been the situation in America, there is a good case for extending the vaccination programme to young people on the grounds of the evidence that is emerging of the much higher likelihood of young people who do not have existing underlying health conditions having complications from swine flu. The debate continues, and the Secretary of State has advised that the Government do not—yet—support a school-based vaccination programme, but I none the less think it is right for us to proceed in this way for very young people and to give positive consideration as to whether in the new year, when the vaccine is available and the existing priority groups have been substantially dealt with, we should move on to offer vaccination to young people up to the age of, let us say, 24 or 25, in recognition of how many of them are hospitalised when they have swine flu and the pressure that there is on paediatric intensive care. I also join the Government in hoping that those who are offered vaccination will take it up, especially those working in the NHS and social care, and pregnant women given what we know about the risk of complications for them. There has been much inappropriate comment about the speed at which this vaccine has been made available, when we know the technology on which it is based is a proven technology that has been used in seasonal flu vaccines over many years and that there is no reason for people to resist it on this basis.

The Queen's Speech proposes a personal care at home Bill. Last July, the Government, after having pursued for a very long time the idea that there should be a long-term consensus on social care—my colleagues and I had often made efforts to join in such a consensus, but the Government ignored that—published their Green Paper; they proceeded without such a consensus in place. What is subsequently astonishing is that, as Lord David Lipsey tellingly described it, they have even fired an Exocet at their own flagship. The Prime Minister has shot right through their own Green Paper by putting a further proposal forward that was not even in the Green Paper, and I understand that David Lipsey's view is that it runs counter to what ought to be the long-term consensus for a more comprehensive social care plan, because it would provide free personal care for a small minority of care users living at home with highest need, abandoning those with lesser care needs, but who, frankly, have seen local authority support to them diminishing. About 600,000 fewer people are now accessing local authority-arranged support in the moderate and lesser care need categories. So everything is being focused on the highest care need, but that does absolutely nothing for people in very high care need who go into long-term residential care.

The Prime Minister says, as Tony Blair did 13 years ago, that he does not want to live in a country where people have to sell their home to pay for care. Why does he think that happens? It happens because people go into long-term residential care when their home becomes at risk as a consequence of the means test, the cost of care rises dramatically and their homes have to be sold to pay for it. According to the latest estimate, 47,000 people a year still have to sell their homes to pay for care. Frankly, it is outrageous for the Prime Minister to publish an article suggesting that his proposal in the Queen's Speech yesterday will do anything about that; it will do nothing. Those going into long-term residential care will not be supported at all, and as David Lipsey rightly points out, sometimes it is necessary, right and in their own best interests for people to be admitted to long-term residential care.

We do need to establish a long-term consensus on social care. In the light of the speeches that I and my Conservative colleagues have made, not least to the national children and adult services conference in Harrogate, such a consensus is available. However, it is not available on the basis of scrapping attendance allowance and disability living allowance for those over 65, but on the basis of prevention. Yesterday's proposal—the Government followed us in proposing resources for reablement and

enablement through prevention—is a step in the right direction. We need to do more on assistive technologies and on home adaptations and prevention.

The second principle is personalisation of care. More than 2 million older people with disabilities and needs are receiving attendance allowance of £60 a week on average, or disability living allowance of £75 a week on average. The Government's Green Paper proposals would take that away in order to pay for their national care service. Frankly, that is not acceptable. If personalisation of care is right, and it is, such people need to maintain access to cash benefits that they can use to support their care needs as they see fit. In particular, that means cash benefits that they can use to support family and informal carers.

We support a national care service, which the Government are proposing; what we oppose is a nationalised care service. Instead of personal care and local authority involvement, the Government want to turn such a service into something driven only by bureaucracy and the state. As my colleagues made clear in their contributions, we have to listen to people; we have to let people make choices. We have to give patients, care users and parents the opportunity to control their public services. So we oppose the Government's nationalisation proposal; instead, we are in favour of creating a national care service through which people can access a common assessment that can be transferred around the country. That way, they will know they have support for keeping them independent at home and the ability to manage budgets on their own behalf, while getting the care they need. They will also know that, through our home protection scheme, they can buy into an insurance policy that means they genuinely will not necessarily face the threat of selling their homes to pay for long-term residential care.

The Government's "dividing lines" are an absurd political gimmick. What we actually have, as the Lord President of the Council and First Secretary of State—and grand panjandrum—describes it, is a choice. We have a choice between, on our part, ambitions for our national health service, or atrophy of reform on the Government's part. We have a choice between radical reform in education to deliver higher standards, or reactionary politicking by the Secretary of State. We have a choice between a future Government who are committed to our public services and to practical and workable solutions, and a Government who have run out of ideas and are using the public services as no more than a political football. We are committed to achieving the quality of public services that people have a right to expect, and not least to achieving the outcomes that will make our public services among the best in the world.

4.54 pm

The Secretary of State for Health (Andy Burnham): We have heard many important contributions this afternoon and I shall respond to them in a moment. The hon. Member for South Cambridgeshire (Mr. Lansley) spoke very movingly about his constituent in Afghanistan. Speaking for the Government, I wish to share our condolences with him and his constituent's family. The hon. Gentleman talked of moral and political support being important and the best thing we could provide. I share that view wholeheartedly.

At the beginning of my contribution, I wish to set out the broad context for today's debate. Some 10 years ago, our crumbling hospitals and schools were a national embarrassment and were failing patients and parents, but today, after a decade of investment and reform, they are substantially rebuilt and provide a good service to the public; no longer are they the poor relation in Europe and the world; they instead receive accolades on the world stage. The respected US-based The Commonwealth Fund has tracked the progress in our NHS and, two weeks ago, it said that England had one of the best—if not the best—primary health care systems in the world. That is not only a huge tribute to all the staff who work in primary care in our constituencies and a particular tribute to the work of general practitioners—perhaps we do not praise them enough—but it is an endorsement of the Government's reform programme.

The UK and England were ranked first of the 11 countries surveyed, which included Australia, Canada, France, Germany, the Netherlands, New Zealand and the US, on the following criteria: low waiting times for specialist care; the use of multidisciplinary teams; the use of financial incentives to reward patient experience; the quality of clinical care; the management of chronic diseases; the use of data on patient experience; the reviewing of doctors' clinical performance; and the benchmarking of clinical performance. We were given that outstanding record of achievement in Washington.

The evidence for that transformation in primary health care can be found in my constituency; we had a world of too few GPs working out of terraced houses, but we now have modern premises with more GPs providing a wide range of services to the public. I am sure that my right hon. Friend the Secretary of State for Children, Schools and Families would agree when I say that primary education has undergone a similar transformation to that of primary health care services. Our schools are now a joy to visit and are unrecognisable from the shabby and depressing buildings of 15 years ago. The primary heads in Leigh tell me that they have resources that they could once have only dreamed of. Through investment and reform, our public services have gone from poor to good—now the challenge is to make them even better.

Bob Russell: Does the Secretary of State regard as a triumph for new Labour the fact that 12 years on 4 million children are living in poverty?

Andy Burnham: I consider it one of the finest achievements of this Government that we have taken 600,000 children out of poverty. That is what this party and this Government set out to do. Many of those children live in my constituency and the constituencies of hon. Members sitting on the Labour Benches today. Although it is one of our finest achievements, we will go further.

Mr. Graham Stuart *rose—*

Andy Burnham: I shall make some progress. I said that we wish to move services from being good to being great. That means building on the foundations we have laid in the past decade to create more personalised and more preventive services that are more responsive and are of higher quality. So we want to lock in the achievements of the past 10 years and to hand power to people—to

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patients, pupils and parents. To do that, we are turning targets into rights and entitlements in order to guarantee the services and the standards that people expect and deserve.

The Children, Schools and Families Bill provides a range of guarantees to pupils and parents. It aims to help everyone reach their full potential, to make everyone aware of their entitlements and to allow everyone to seek redress if their expectations are not met. I particularly welcome the entitlements that will improve children's health. We propose that every five to 16-year-old should have access to five hours of high quality physical education and sport every week, in and out of the school day, and that every 16 to 19-year-old should have access to three hours of that. I also welcome our proposal that every pupil should have access to regular competitive sport, to coaching, to a choice of different sports and to help to lead and volunteer in sport. Furthermore, we propose that every pupil should go to a "Healthy School" that promotes healthy eating, an active lifestyle and emotional health and well-being. Those are genuine steps forward and I want to pay tribute to my right hon. Friend the Secretary of State for introducing them.

In essence, the Bill is about the right to a rounded education. As someone who was unlucky enough to spend his entire secondary school career in a northern comprehensive under Mrs. Thatcher, I have always felt passionate about this. I saw the after-school activities—music, culture and sport—dry up in the teachers' dispute of the mid-1980s, never to return. These new guarantees would prevent that from ever happening again.

In the NHS, there will be a similar shift in power to the public from professionals. In the next period of reform, as we move towards a service that is more preventive and people-centred, empowered patients and staff will lead change. The hon. Member for South Cambridgeshire mentioned the reform journey and the ideas. I was the one who promised to remove practice boundaries and to give patients more choice in primary care. He mentioned payment by results, and we are introducing a further reform to the tariff to link payment to the quality of services provided. Where is he in these debates? I am putting forward these proposals, and he comes to the House today and asks where the changes are.

The hon. Gentleman mentioned the commitment to making the NHS the preferred provider. As we will have more reform, not less, in the coming period we will have to take more work out of the hospital setting and we will have to ask NHS staff to work in different settings. That is precisely why we must give the NHS the chance, the space and the time to rise to the challenge, and to make those changes and to improve health care as a result.

Mr. John Baron (Billericay) (Con): According to the Select Committee on Health and other bodies outside this place, inequalities in cancer outcomes have widened in the past 10 years. Will the Health Secretary try to explain why that is the case?

Andy Burnham: I do not believe that the hon. Gentleman can make such an argument. The Government have introduced the cancer plan and invested in cancer services, and if he is genuinely saying that there has been no improvement in cancer services, I am afraid that I disagree with him profoundly.

To make the NHS even more preventive, I propose that the reform should go further still and that we have a right to an NHS health check every five years for every person aged between 40 and 74 to assess their risk of heart disease, stroke, diabetes and kidney disease. We must go further towards a more people-centred service. The hon. Member for South Cambridgeshire asked where the choice was in end-of-life care. I will tell him where the choice in end-of-life care is. I asked for consultation on a right for the public to choose to die at home. I think that that is a sensible choice to offer the public. I am consulting on it right now, so if the hon. Gentleman would care to read the odd thing that the Department puts out, he will see that we are ahead of the game and ahead of him on these issues.

Mr. Lansley: I am grateful to the Secretary of State for giving way, and I know precisely what he is consulting on. He is consulting on a right to die at home, but people need the ability to exercise choice in end-of-life care, including the right to choose to die in a hospice or, for some people, to die in hospital. The right to die at home is not the only choice. There are a range of choices, so why does the Secretary of State not give people choice?

Andy Burnham: A few minutes ago, the hon. Gentleman asked where the choice was in end-of-life care. I have launched a consultation on extending to people the right to die at home. Where was he before I proposed that right? I did not hear him calling for it. I have opened that consultation—if people want to make that argument I will listen to it, but it is the Government who are making the proposals. We are also saying that people should have the right to access a personal health budget and to have more control and power over their health care.

The NHS constitution, which was recognised in law just last week, sets out the rights of patients to guaranteed waiting times. Again, we are consulting on this. Waiting lists should be 18 weeks for elective treatment and two weeks to see a specialist for suspected cancers. Let me get a few things straight today. The Leader of the Opposition said yesterday from the Dispatch Box that the Conservative party first proposed the NHS constitution, but the first mention of it in any Tory document was in June 2007—a full nine months after I proposed the creation of an NHS constitution in a pamphlet in September 2006. Check the facts.

There have been complaints today that there is no NHS legislation. Only last week, the Health Act 2009 received Royal Assent. Let us take that further immediately, by taking patient rights further—the consultation I mentioned a moment ago.

Let us get to the main point: the complete and utter confusion on the Opposition Benches about our proposed patient rights. The shadow Health Secretary has constantly said that he opposes the targets that form the basis of our proposed rights—the 18-week target and the two-week cancer target—and has said that he prefers outcome targets. Right or wrong? He has consistently opposed those targets?

Mr. Lansley: Carry on.

Andy Burnham: I shall take that as a yes.

Yesterday, the Leader of the Opposition stood at the Dispatch Box and said that our proposals to turn targets into rights were things that "everyone wants". We are told that the hon. Member for South Cambridgeshire is one of the favoured few who is guaranteed his job if the Tories win, but it does not look good for his boss to stand at the Dispatch Box, as he did yesterday, and rip up the hon. Gentleman's policies on the Floor of the House. It was staggering to watch.

Mr. Lansley: Now I can see the point that the Secretary of State was making. He suggests that our being in favour of maximum waiting times is the same thing as agreeing with his targets. It is not. We are in favour of patients having access to quality services. If a patient is admitted to hospital with a fractured neck or femur, 18 weeks is an irrelevance—they should be treated within 24 hours. If an acute stroke patient arrives at a hospital, they should have a CT scan within 24 hours maximum. Then there are patients with a cardiovascular condition, such as the hon. Member for Bolsover (Mr. Skinner). I have no doubt that there was a point when the hon. Gentleman needed treatment in much less than 18 weeks. Maximum waiting times make sense, but a single 18-week target does not.

Andy Burnham: I have never heard such rubbish in my entire life. The hon. Gentleman's thinking on the issue is completely and utterly confused. The patients he describes would be covered by the four-hour target. People with such conditions would get straight into hospital—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Secretary of State, but there seems to be constant interchange of a secondary nature during the debate. It is now becoming distracting.

Andy Burnham: The hon. Member for South Cambridgeshire says that he opposes the four-hour target, too. He says that he supports guaranteed waiting times, so let us get this straight today. Does he support the new proposed right to care within 18 weeks, and two weeks to see a specialist for patients with suspected cancer? Does he support those patient rights, on which we are consulting now?

Mr. Lansley: What the Secretary of State is consulting on is the inclusion in the national constitution of a right phrased as follows:

> "You have the right to access services within maximum waiting times, or for the NHS to take all reasonable steps to offer you a range of alternative providers if this is not possible. The waiting times are described in the Handbook to the NHS Constitution."

We support that.

Andy Burnham: If that is the case, it is a major U-turn by the hon. Gentleman—a major U-turn—and it has been forced on him because yesterday his leader ripped up his policies in front of the entire House and the whole country. For the past two years, in every speech, the hon. Gentleman has said, "We oppose the 18-week target. We oppose the two-week target. We oppose four-hour A and E targets." Those targets are in the handbook he has just mentioned, so I am afraid that his utter isolation and confusion are plain for all to see. It is quite absurd.

The confusion does not end there. Today, in response to a point made by the hon. Member for Wycombe (Mr. Goodman), I heard the hon. Member for South Cambridgeshire say—I wrote it down—that clinicians should make decisions about where services are best provided, yet he goes round the country posing with Tory candidates promising to reverse every clinically led reconfiguration of recent times.

Let us take an example: a "Pendle Matters" leaflet said, "Tory health chief backs call for A&E to return to Burnley". I am sure that that suited the shadow Health Secretary's electioneering purposes, but what does he say to the clinician who had a public meeting in Burnley a couple of weeks ago? My hon. Friend the Member for Burnley (Kitty Ussher) said that at that meeting, the clinician presented independent evidence that about 200 lives had been saved by the A and E reconfiguration in the area. What does the shadow Secretary of State say to that clinician, when he has just told the House that clinicians should be able to decide where services go?

Mr. Lansley: I went to Burnley and met the chief executive of the local NHS trust. I also talked to the chief executive of the ambulance trust. They agreed that it was right to put the medical directors of the ambulance trust and the hospital trust together, to see whether there could be protocols that meant that someone in an ambulance could be taken to Blackburn for blue-light purposes if necessary, and that an A and E department could still be established at Burnley. That is precisely why, shortly after I went to Burnley and made the perfectly reasonable point that the A and E department could be returned, the Secretary of State had a meeting with the hon. Member for Pendle (Mr. Prentice) and instituted an independent review of the decision to close the A and E department at Burnley. *[Interruption.]*

Andy Burnham: The hon. Gentleman has been found out. I am sorry to disappoint my hon. Friend the Member for Pendle (Mr. Prentice), but I am not proposing what the shadow Health Secretary suggests. I can stand making a tough decision. I can say, "This is saving lives; I will stand by it," but the hon. Gentleman wanders round constituencies with candidates wearing rosettes, promising the earth. He does that not just in Burnley, but in my patch, Greater Manchester, where we have had a difficult review of maternity services. He goes round Greater Manchester promising to reopen everything. Does he remember the leader in the *Manchester Evening News* that promised that babies' lives would be saved? Does he remember the review? Has he looked at the clinical evidence? Has he heard the views of clinicians about that reconfiguration?

The hon. Gentleman today claimed in the House that clinicians should decide where services are placed, yet he wanders round the country with Conservative candidates, opposing every clinically led decision in the land. That is not a credible position to take. He says that he wants patient choice, but would allow general practitioners to reverse extended opening hours. To cap it all, the Conservatives say that they want a bonfire of the quangos, but then pledge to have an independent board for the

[Andy Burnham]

NHS; that would turn it into the biggest quango in the world. It is dangerous for a Labour Minister to quote "The Thick of It", but under the hon. Gentleman, Tory health policy really is turning into an omnishambles.

Mr. Graham Stuart: The big question in my constituency is why the East Riding of Yorkshire, which has an older-than-average population and a higher burden of disease than average, receives one of the lowest health funding settlements in the country. Will the Secretary of State explain why that is, or give my constituents cause to believe that fairer funding would be provided by a future Labour Government, if, improbably, Labour was re-elected?

Andy Burnham: I have heard more than one plea for more funding from Tory Members today. The funding formula follows health need, and we believe that it is right for funding to be targeted in that way. If the hon. Gentleman proposes changes, he will have to justify taking money away from areas where the health need is greater.

We have heard some good contributions and important points in this debate; let me pick up on some of the points made. Colleagues have mentioned reconfiguration decisions. The hon. Member for Bexleyheath and Crayford (Mr. Evennett) talked of the temporary closure of A and E at Queen Mary's hospital, Sidcup. There is an extension of service provision in the urgent care centre; its opening times have been extended to 24 hours a day, seven days a week. The majority of patients will continue to have access to urgent care on the Queen Mary's hospital site.

The hon. Member for Ilford, North (Mr. Scott), raised issues to do with the potential reconfiguration of services in north-east London. Those issues are currently the subject of analysis by NHS London. Obviously, there would have to be a robust option appraisal process before any proposals were sent out to consultation, but I am sure that NHS London will have heard the views expressed today.

I greatly respect the hon. Member for Ribble Valley (Mr. Evans) on health service matters. I know that he speaks with sincerity, and he raised the question about the decision on liver cancer treatments by the National Institute for Health and Clinical Excellence. As the shadow Health Secretary rightly said, that decision is provisional and subject to appeal, and, although I am sure that the comments of the hon. Member for Ribble Valley will have been heard today, I encourage him to make his views known to NICE, following its decision.

The hon. Member for Worthing, West (Peter Bottomley) talked about public involvement in the NHS and complained about the abolition of community health councils. However, local involvement networks—LINks—are beginning to work well throughout the country, and he should speak to the hon. Member for Wyre Forest (Dr. Taylor), who takes a keen interest in those matters. There is growing evidence that LINks are beginning to provide a strong voice locally for patients, but I accept the point made by the hon. Member for Worthing, West that they could do better, and in some parts of the country we need to do more to lift their profile. I am working with the hon. Gentleman on that issue, but I heard what he said to the House today.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) raised questions about obesity in the context of product placement. I was Culture Secretary, so my views are well known and, perhaps, would not help me if I were to rehearse them today. I do have concerns about product placement—*[Interruption.]* They were very well publicised, I can tell the hon. Member for Surrey Heath (Michael Gove). I was not the strongest proponent of product placement, and I was not in the majority on that question. However, I will keep a close eye on the issue to ensure that placement does not allow, through the back door, any products that may damage health, and in particular children's health. I give my hon. Friend that promise.

The Government have done a huge amount to tackle teenage pregnancy. It is a responsibility that my right hon. Friend the Secretary of State for Children, Schools and Families and I take very seriously, and we need to work on it jointly. The legislative proposals on the statutory basis for personal, social and health education guidance will make a significant contribution, but I take the point that we cannot be at all complacent about that issue.

Peter Bottomley: I am not trying to make a party point about the three organisations with acronyms, given that LINks did not follow CHCs, because something else came in between. However, the LINks decision has not worked. We recognise that the hon. Member for Wyre Forest has done very well, but in most places one cannot get ordinary people to make the LINks system work as well as the CHCs did. Will the Secretary of State explain how we can avoid the process errors that led both to the chaos of the MMC programme and the MTAS, and to the lack of benefit from the cost of the NHS IT system? Those are genuine points; I am not trying to knock the Secretary of State.

Andy Burnham: I take the hon. Gentleman's point on LINks—that we probably have more to do to give them a higher profile, and that we have to work harder to make them more effective. However, I urge him to work through the all-party group that the hon. Member for Wyre Forest chairs to see whether we can make progress in that regard.

There is growing evidence that NHS IT is making a genuine difference to patient safety, with more responsive services throughout the country. Again, I am not complacent, because I am sure that we can make further improvements, but the Opposition use an easy stick when they say that it is all a waste. In fact, it is not: it is producing real patient benefit, and I am pleased with the progress that we are making.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) raised the question of maternity services, as did the hon. Member for Poole (Mr. Syms). I shall look at the matter, and I acknowledge the strength of feeling about it. The matter was voiced by two hon. Members in the area, so I shall consider it. If I am not mistaken, however, the hon. Lady recognised the improvements that have been made in the NHS in the past 10 years, and I am grateful for that.

The hon. Member for Colchester (Bob Russell) made many points about Building Schools for the Future and his frustrations with the process, and I am sure that my hon. Friend the Minister for Schools and Learners

heard them. The hon. Gentleman also questioned the funding of school sixth forms and complained that they are not the same, so I should tell him that my brother is a vice-principal of a sixth-form college and regularly lobbies me on the matter. I should probably say no more than that.

Several hon. Members mentioned home education, including the hon. Members for Yeovil (Mr. Laws) and for Beverley and Holderness (Mr. Stuart). I agree with the hon. Member for Beverley and Holderness in saying that home education is a well-established and important part of our education system. He asked us to recognise the contribution of people who give lots of their time and effort in raising the standards of home education. A constituent who recently came to see me—Caroline Shevalan—made the same point, and I am happy to endorse it. It is important that there is certainty, with good processes and standards in place. Registration and monitoring of home education will not be onerous—home educators are doing a good job—but it will give local authorities the tools that they need to tackle the small number of cases where the education provider is not good enough. I hope that we can get the balance right, and I am sure that my right hon. Friend the Children's Secretary is working to ensure that that is the case.

The hon. Member for Surrey Heath asked about NEETs and the September guarantee. I am told that through the September guarantee we are offering a suitable place in education and training to all 16 and 17-year-olds. In Budget 2009, we announced an additional £655 million over the next two years to secure additional learning places to help to meet the guarantee. I hope that that gives him some reassurance.

The shadow Health Secretary raised several points about swine flu. Today there has been the significant announcement that the Government intend to extend the vaccination programme beyond the priority groups that were initially recommended by the Joint Committee on Vaccination and Immunisation. As he said, we are proposing to extend the offer of vaccination to parents of children aged between six months and five years. That particular group of young people has been chosen because there is evidence of higher levels of hospitalisation among them. There are reports today of further deaths from swine flu, which is of course sad news, but there has been a drop in cases.

In extending the programme in this managed and phased way, we want to ensure that we keep a sense of order and discipline about the vaccination process. I was recently in Washington—I think that the shadow Health Secretary was too—and there were chaotic scenes in relation to swine flu vaccine. I think that he would agree—we have had a good measure of agreement on these matters—that we do not want to see such scenes in this country. We want the vaccine to be made available through GPs in an orderly way, and that is what we will continue to do. He asked whether we would take the campaign even further. We will keep all these matters under review, as he requested.

Obviously, it is too early to say whether this week's drop in cases does in fact amount to an end of the second wave or whether it is the effect of half-term holidays. We must be vigilant about that; we do not know how the virus will develop over the coming months. However, I can assure the hon. Gentleman that we will continue to involve and consult him at all stages and that we will keep open the question of further vaccination for further groups as well as carers, to whom, as we indicated today, we would want to offer the vaccine. We will keep that under review.

Having had a few partisan exchanges with the hon. Gentleman, his comments about the take-up of vaccine, particularly among pregnant women, were very welcome. He was correct to say that this is a proven technology. The clear advice from the chief medical officer is that pregnant women are at risk of greater complications, and the best way that they can protect themselves is to have the vaccine.

My hon. Friend the Member for Bolsover (Mr. Skinner) made some powerful points about cancer services under this Government which are a much better answer to the question asked by the hon. Member for Billericay (Mr. Baron) than the one that I gave a few moments ago. My hon. Friend also raised the important issue of pleural plaques. His constituency and mine share many similarities in that many people worked in industries exposed to asbestos. There is a legacy of people suffering from mesothelioma in certain parts of the north, as well as other parts of the country. In summer, the Justice Secretary announced the elements of a package involving an industry-funded tracing office to help to identify insurance companies and an exploration of ways of speeding up the process of compensation for people with mesothelioma, with more funding for asbestos-related diseases; that aspect is led by my Department. He said that we were taking forward those planks of a package and that a further announcement would be made in due course. In addition, we have agreed to the CMO's recommendation that we should commission more information on pleural plaques for patients, and we are working on that with the British Thoracic Society and the British Lung Foundation. I know of his great interest in the subject. Of course we will do justice to the people concerned by taking forward proposals, and I am grateful to him for raising the matter today.

I shall conclude by speaking for a few moments about our Bill to provide support for people with the highest needs in our society and the provision of free care to help them. We have done a great deal to improve the NHS, but as I have said quite clearly, we must now tackle reform of our social care system. If we fail to do so, we will let down a generation of older people. The hon. Member for South Cambridgeshire is right that we should work to find a national consensus.

However, again on the theme of confusing and conflicting statements, the hon. Gentleman said today that he supports a national care service, but I think I could furnish him with a quote from the day that the Green Paper was launched—we made an oral statement in the House—when he said precisely the opposite. He shakes his head, but I think the record will show that I am right. I think we will leave it there.

The Bill will help to provide help in people's own homes to those most in need. It will guarantee free personal care for the 280,000 people with the highest needs, including those with serious dementia or Parkinson's disease, and help an additional 130,000 people who need home care for the first time to regain their independence. It is the first significant step towards addressing one of the great remaining unfairnesses of modern times, which is that people with the greatest care needs can still face the highest cost, and that those who suffer the most can pay out the most.

[Andy Burnham]

I heard the attack today by Members of another place, but they are missing the very important point that the Bill will deal directly with 400,000 of the most vulnerable people in our society, many of whom will already have paid out of their own pockets large amounts for a number of years to fund the cost of their care. Take the example of somebody who needs 17 hours of personal care a week, which is about average for someone who requires intimate personal care. For the essential care that they need, which could include all aspects of their daily lives—eating, drinking, washing, toileting, dressing and so on—they would currently pay around £13,600. Under the Bill, that care will be free.

I am not saying that the Bill is the whole answer, but I am saying that it is a bridge to a national care service. By taking this step, we are making the social care system of this country fairer, right now, for the most vulnerable. They will benefit in the long term from the measures that we are proposing.

It must be right that we make this new system as preventive as possible, and that people are assisted at home and able to regain their independence. That is exactly what we should do. The hon. Member for South Cambridgeshire is right that some people will always need care in a care home setting—I agree with him on that—but it must be our intention to help people to stop them deteriorating and going downhill, and to invest early so that they can regain confidence and independence. That is the whole thrust of our policy.

I must say that the hon. Gentleman's claims today at his press conference were the stuff of the gutter. To say that we are proposing to cut benefits for the most vulnerable people in our society, and to raise anxiety in the way that he has among those people, is scaremongering—nothing more, nothing less. We have said quite clearly that people will be guaranteed an equivalent level of support, so to go out there and say that they would lose thousands of pounds every year is low politics, and it crosses a line over which people should not go. It puts misleading thoughts in people's minds, and he knows that that is not the Government's intention.

Mr. Lansley: Will the Secretary of State therefore explain why page 15 of his Green Paper says that most of the Government's options, apart from the pay-it-all-yourself option, involve "integrating disability benefits" into his proposed national care service? The effect of that is to take away cash benefits that people could have spent how they wished and put it into a service where they get what they are given.

Andy Burnham: The whole aim of the reform is to improve the level of care and support for the most vulnerable people in our society. The hon. Gentleman called a press conference today and said that I wanted to cut benefits and support for vulnerable and older people. *[Interruption.]* He is saying that again and, although I generally do not take offence at much, I do take offence at that.

We have said explicitly that people will be guaranteed an equivalent level of support. We have also said that the proposed national care service would have to be a fundamental reform of the system, and that aspects of the benefits system, including attendance allowance, would need to be considered alongside the support that the Government put into social care through grants to local councils. However, it is quite a different thing to say that that is about cutting support to vulnerable people.

I have not said that—indeed, I have said quite the opposite. The Opposition are indulging in low politics, which should have no place in our national debate. They appear to be getting very desperate in the way that they are campaigning.

Mr. Graham Stuart: Opposition Members are having difficulty in believing the Secretary of State because exactly the same argument was made when the 10p tax proposal was first brought to the House. The Government were letting down the most vulnerable people then, and I fear that he is doing precisely the same today.

Andy Burnham: I encourage the hon. Gentleman to read the Green Paper, which is about providing more support to vulnerable people. It is this Labour Government who proposed direct payments to older people in need of care so that they had the cash in their hands that would enable them to buy the services and support that they need. He suggests that reforming a benefit equals a cut, but I think that he is more intelligent than that. I find that the Opposition are taking part in gutter politics.

The proposals that we published yesterday have received widespread support. The president of the Association of Directors of Adult Social Services called the Bill

"an important and valued first step",

while Imelda Redmond, the chief executive of Carers UK, welcomed it as

"a stepping stone towards the longer term goal of a national care service."

She also expressed her hope that all parties would come together to make it a reality in the next Parliament.

As I said, the creation of a national care service sets out to end the same unfairness that the NHS set out to end. This Queen's Speech lays out the direction of travel for further reform in our NHS, building on a decade of reform. When people question this Government's ability to deliver on this proposal, to make our good NHS great and to raise standards in our schools still further, I would ask them to look at our record on the NHS and primary education. They will find evidence there that this is a Government who do what we say we will do. We will deliver these improvements, and improve lives as a result.

The people of this country have always looked to the Labour party to find the right and fair solutions to the big challenges that this country faces. In this Queen's Speech, we are coming back with the ideas, the courage and the confidence to do so again.

I commend the Queen's Speech to the House.

Ordered, That the debate be now adjourned.—*[Steve McCabe.]*

Debate to be resumed on Monday 23 November.

PETITION

Equitable Life (Hemel Hempstead)

5.33 pm

Mike Penning (Hemel Hempstead) (Con): It is an honour and a privilege to stand before the House this evening to present a petition on behalf of those of my constituents who have had their lives so badly damaged by the Equitable Life debacle.

The petitioners are residents of the Hemel Hempstead area, and the petition is a response to the Government's lack of response to the ombudsman's report on Equitable Life. The signatories are either former members of Equitable Life or their loved ones, or representatives of those who have sadly passed on already, before the compensation that they were due became available.

The petition states:

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying in full with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

Following is the full text of the petition:

[The Petition of residents of the constituency of Hemel Hempstead in the Eastern region of England regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying in full with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.]

[P000416]

Norwich Northern Distributor Road

Motion made, and Question proposed, That this House do now adjourn.—*(Steve McCabe.)*

5.34 pm

Chloe Smith (Norwich, North) (Con): Thank you, Mr. Deputy Speaker, for giving me the opportunity to speak in this end-of-day Adjournment debate in this week of all weeks in the calendar, when we continue to debate the Gracious Speech, which has set out Government plans for the remainder of the Parliament. I am a new MP, although as of yesterday, I am pleased to note, no longer the newest in the House, on which title I congratulate the hon. Member for Glasgow, North-East (Mr. Bain). I am delighted to have succeeded in securing a debate on a subject that is close to my heart and exceedingly important to my constituents in Norwich, North.

I said in my maiden speech to the House that I am proud of Norwich, North, with its one foot in an historic city and its other in beautiful Broadland. The subject of this debate is a defining characteristic of my constituency: the particular transport needs of those who live on the boundary between a vibrant urban economy and a rural region. I am calling for the Norwich northern distributor road because it will benefit my constituents. It holds the key to a wider transport strategy that has the potential to transform travel choices in Norwich and Norfolk. In my constituency, both local residents and firms need this critical piece of infrastructure to get around and conduct their business. It is vital for those of us who live there, but it would also have a wide-ranging and significant strategic impact on the region.

I shall cover the economic case for the scheme, the people's case for it and the transport choice benefits that it will bring, and the local, regional and national significance of the proposed road. I will finish by noting how straightforward it could be for the Minister to respond in the positive. I note that in his capacity as MP for Ipswich, he might find it hard to give us in his rival city anything that I am asking for, but perhaps he might like to think of all the Ipswich Town fans who could get in and out of Carrow Road even quicker were the road to be built.

I wrote to the Minister's boss in late October on the subject of this debate, stating that the road was fundamental to Norwich's economic prosperity. Local and regional businesses, including the chamber of commerce, the Federation of Small Businesses and the Institute of Directors, believe that

"the road is vital for jobs and prosperity in the north and east of Norwich, and a large part of north Norfolk... including Norwich International Airport."

As part of the comprehensive work done on the proposal by Norfolk county council and others, a survey of businesses has shown that 78 per cent. of respondents believe that the road will have a positive impact on their business. Anecdotally, a business said in the same survey:

"Transport is a problem. It is almost easier to get to London than north Norwich."

Another said:

"People from outside Norfolk view us as being in a backwater that they can't get to without spending hours in traffic jams."

I do not know whether that is true in the Minister's view from Ipswich. Perhaps those colleagues who visited Norwich in July, who have sadly left their places, can bear it out from personal experience.

[Chloe Smith]

I jest on that point, but the serious impact of not having the road could be, as a strong selection of companies said in the survey, that a lack of adequate transport infrastructure causes them to consider relocation. Considering that 35,000 additional jobs are forecast in the wider Norwich area, that testimony from businesses on how they intend to grow and bring us out of recession is not to be ignored.

I spoke in my maiden speech about the fascinating economy of Norwich, Norfolk and the region. Norwich has the largest cluster of financial services businesses in the eastern region and is a major centre for creative industries, research, engineering and other start-ups. The northern distributor road will potentially provide vital infrastructure to key locations for such growth, including Norwich International airport and the surrounding industrial estates in my constituency, where many people are employed in engineering: Thorpe St. Andrew and the cluster of business parks in the area, including the Broadland business park, which backs on to the Postwick hub, the eastern starting point for the road; and the Norwich research park and Norfolk and Norwich university hospital, on the south side of the city. I particularly regret that the right hon. Member for Norwich, South (Mr. Clarke) is not present to hear the debate, because the road has the same significance for his half of our fine city, including on local employment.

Without doubt, Norwich is a hub for growth in the eastern region. The Greater Norwich area provides one third of the county's jobs and is the largest employment economy in the region. Norwich is home to more than 50 national and regional business headquarters, and there is more than £1 billion of investment in our city. It needs better transport infrastructure, befitting its economic achievements and its bright future.

Norwich is not just a place to work, however, but a great place to live: it is one of the top 10 shopping locations in the UK, and has a jewel of a historic centre with beautiful countryside just outside and plenty of pleasant places to bring up a family in between. The nature of the county of Norfolk makes Norwich a hub for living and working, but people are being held back by the transport available. We need better transport for a reasonable quality of life. I break it to the House that living and working in Norwich or Norfolk requires access to a car, and motorists need relief from crawling out of their own driveways at 10 mph because of jam-packed traffic throughout northern Norwich.

There are more cars in Norwich, North than the roads can take. I am grateful to the Minister's Department for telling me that the number of vehicles registered for personal and business use in my constituency has risen by 25 per cent.—nearly 12,000 cars—in the past 10 years. Furthermore, patterns of driving are changing. There are no longer just morning and evening peaks, but potentially a picture of congestion throughout the day as people's working and living patterns change in the 21st century.

My speech, however, is not an argument for giving gas-guzzlers what they want. By giving the go-ahead to the plan, the Minister can improve transport choices in many ways. The plan proposed is for a distributor road, not a bypass, and an estimated 11,000 vehicles a day could be guided out from inside the inner ring road by 2012—the year when work on the road could and should start. Removing cars would open up the city centre and much of my constituency, including the many employment sites to which I have already referred, for pedestrians and cyclists. I count myself as a motorist, a cyclist, a pedestrian and a user of public transport, and I would welcome such choices for myself and my constituents, as I am sure the Minister would.

The scheme has the potential to improve public transport. For many people in Norwich and Norfolk buses are necessary, but do not yet serve the areas needed or at an affordable price, especially for families. The road would create more space in the city centre and the outskirts and, I believe, stands to improve transport choices both private and public. This kind of integrated package—private, public and green—should represent the future of road-building, and is wanted and needed by people in Norwich. I challenge the Minister to accept the plan today.

I should also issue a caution to the Minister. If the Government want to put 33,000 additional dwellings in the area, including some in an eco-town in nearby Rackheath, he needs to give the road serious consideration. People do need new houses. Average house prices in my constituency have risen by 186 per cent. in 10 years and now cost more than 10 times the average salary. Many young families in my constituency talk about being unable to find a suitable property in which to live, and I want to see those people able to carry on living in Norwich. The idea, however, of 33,000 new homes dumped on us from on high without enough infrastructure to support them is not visionary but nightmarish.

The road scheme stands up in its own right: it is vital for jobs, prosperity and people's everyday lives. It would be crucial in opening up a range of transport choices—public, private and green—and it also has strategic significance and wide support. Locally, it has cross-party, multi-council support through the Greater Norwich development partnership, composed of Norwich city council, Broadland district council, South Norfolk district council and Norfolk county council.

Regionally, the plan has wide support and is already a regional priority through inclusion in the eastern region funding allocation, as a priority 1A scheme for construction in 2011-12 to 2015-16, which means that £79.7 million of the required funding is already allocated, subject only to programme entry. Furthermore, the county council has committed to funding any remaining shortfall. Locally and regionally, therefore, we are ready to go, if the Minister will give us a firm decision today on programme entry.

Nationally, the scheme would improve access to Norfolk from the national trunk road network, via the A47 and the A11. Of course, it would be even better if I could come away today with a decision on the A11 to boot, but I suspect that I, and my Norfolk colleagues, might come back for that another time. The road scheme should be a straightforward decision for the Government. The business case has been in for over a year and the funding has been earmarked regionally. The plan represents good value for money in accordance with the guidelines from the Minister's Department. The scheme meets the criteria laid down by the Minister's Department for programme entry, and local councils have done the further work required by the Department.

To sum up, failing to give a clear decision on the project jeopardises the value of the extensive cross-party and multi-council work done to date. It ignores the local, regional and national need for the road to be built, and refuses to acknowledge the imperative for infrastructure to support growth—growth that the Government demand for our region from on high. Failing to give a clear decision also turns a blind eye to the many public, private and green transport choices that could be opened up, and kicks people in the teeth for wanting to get around their own city and county. Perhaps worst of all, in this, the deepest and longest recession since records began, dithering further on the project drags down those businesses and job creators who stand ready to pull us out. Will the Minister give us a firm decision today on programme entry for the Norwich northern distributor road?

5.46 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I congratulate the hon. Member for Norwich, North (Chloe Smith) on securing this debate on the proposed Norwich northern distributor route. She is one of the newer Members of the House and, if I am not mistaken, this is the first Adjournment debate that she has secured since entering Parliament in July. However, I might caution her not to mix politics and football, which can be unwise. I might also be tempted to observe that her offer of faster transit for Ipswich Town fans to Carrow Road will be useful only when both teams are in the same division again.

Good transport is fundamental to building thriving and prosperous communities. The step change in local transport funding that we have made over the past 10 years emphasises the Government's commitment to delivering sustained improvements to this country's transport infrastructure and thereby providing real improvements to people's daily lives. Since 2000-01, we have more than doubled the funding to local authorities for transport in every region, excluding London, to more than £1.345 billion this financial year. Funding for local transport in the eastern region, in which we too have an interest, Mr. Deputy Speaker, has risen from £57 million in 2000-01 to £163 million in 2009-10, an increase of 186 per cent. Norfolk alone is benefiting from more than £30 million for small-scale integrated transport block-funded schemes and highways maintenance this financial year.

Norfolk is served by six major roads from the west and south: the A47, A11 and A12, for which the Highways Agency is mainly responsible, and the A10, A17 and A140, which are the responsibility of Norfolk county council. In recent years, there have been several improvements to the roads in Norfolk, such as the dualling of the Attleborough bypass, which removed a major congestion point on the A11 and significantly reduced delays along the route. A number of local transport schemes in Norfolk have also contributed to improved access to the wider strategic network. I am also aware that a public inquiry into the statutory orders for the A11 Fiveways-to-Thetford scheme is due to commence later this month. Subject to completion of the necessary statutory requirements, the scheme, which is being progressed by the Highways Agency, would mean the last remaining section of single carriageway on the strategic M11/A11 route to Norwich being upgraded.

It is important that we ensure that our funding for new transport infrastructure is focused on schemes that will most effectively address the needs and objectives of each region. That is why, since 2005, we have given regions in England a say in decision making about transport schemes that affect them regionally and locally, through the regional funding allocation process. In the east of England, as in other regions, the regional transport board, its local authority partners and other key interests have been able to consider their transport programmes together, against the region's high-level objectives, and develop a funding programme that offers the best overall contribution to meeting those objectives. Those bodies have worked together to identify which of the many proposals before them should go forward and in what time scales.

The first round of the regional funding allocation advice, which was received from the eastern region in 2006, advised that the proposed Norwich northern distributor road—known to many as the NNDR—was a priority for funding. Following a refresh of the regional funding allocation earlier this year, the region reaffirmed that the scheme remained a priority for funding. We responded to the advice in July this year.

Before I explain the issues surrounding our assessment to date of the NNDR scheme, it might be worth highlighting the current situation regarding the related community infrastructure fund scheme for Postwick hub, which is situated on the outskirts of Norwich. After Norfolk county council submitted a business case for CIF funding to the Government in October 2008, we and the Department for Communities and Local Government jointly announced in March this year that we were minded to accept funding for a number of community infrastructure schemes, including the Postwick hub interchange scheme. Community infrastructure funding is a dual-key capital fund between my Department and DCLG that provides the necessary financial support for small and medium-scale transport schemes to unlock housing sites and housing growth potential in growth areas, including that part of Norfolk.

Our March announcement explained that although the Government were minded to provide funding of £21 million towards the Postwick hub interchange scheme, we would not be able to release the funds until our assessment of the proposed Norwich northern distributor road was completed. The Postwick scheme consists of improvements to the junction at Postwick that would enable an increase in the capacity of the associated park and ride site and unlock the potential for 600 home sites and a possible 1,000 more at a later date.

The hon. Lady will recognise that Norfolk county council designed the Postwick hub scheme around the NNDR, and that the junction upgrade would therefore provide a key junction linking the proposed NNDR with the A47 trunk road. I assure her that if the outcome of our assessment of NNDR is positive, subject to the successful completion of the necessary statutory orders required, funding for the Postwick scheme could be released early next year, allowing Norfolk to commence works.

As for where we are with our assessment of the Norwich northern distributor route, Norfolk submitted a major scheme business case to my Department in July 2008. The proposed scheme consists predominantly of a dual carriageway road approximately 20 km long that

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would form a new road around the north and east of Norwich. The scheme, including Postwick, is currently estimated at a cost of just over £127 million, and Norfolk is requesting a funding contribution from my Department of £79.7 million.

Although I am aware that key stakeholders in the Norfolk area, including the chamber of commerce, see the proposed scheme as part of a wider strategy for the Norwich area, including delivery of housing growth and facilitation of the broader economic aspirations for the Norwich area proposed by the Greater Norwich Development Partnership, we have not yet been in a position to approve the proposed scheme for entry to our programme of local major transport schemes.

Although I recognise that there are concerns that our assessment has taken longer than Norfolk envisaged, my officials have made good progress on a number of matters relating to the assessment of the business case, including understanding the interaction between the Postwick junction and the proposed NNDR scheme. However, before we can decide whether to grant the scheme programme entry, the Department must be completely satisfied that it meets our value for money and scheme appraisal criteria, considering the full range of scheme benefits and costs, including potential adverse environmental impacts. I note the hon. Lady's point about the relief that the scheme could bring to the inner ring road by 2012. Wider redistribution of traffic is one of many issues that the Department's assessment will need to consider carefully to enable us to understand the scheme's wider impacts.

Our assessment of Norfolk's bid for the scheme has focused very much on the traffic modelling, which has raised a number of queries requiring further work. One query was whether we could continue to assess the scheme using the existing traffic demand model that Norfolk used in support of the scheme bid, which unfortunately did not fully meet our current departmental requirements, or whether the council would be required to switch to a different and more up-to-date traffic model, delaying the assessment by an additional six months or more.

Conscious of the facts, we decided to undertake in the summer an urgent review of the modelling data and we informed Norfolk in September that we would accept the use of the existing modelling subject to a number of sensitivity tests to be undertaken to enable the Department better to understand the uncertainties associated with our current analysis and better to align this analysis with the Department's guidance. This is a good example of how we have tried to minimise the additional work required. My officials have worked closely with Norfolk throughout this process in order for the tests to be completed as quickly as possible. We received the results from the tests earlier this week and are now considering them.

I fully understand the importance that the hon. Lady attaches to this scheme in supporting Norfolk county council's wider strategy for the area, which includes proposed improvements to bus and cycle provision across Norwich. I also recognise the arguments that these proposals can be achieved only with the road capacity released by the NNDR. While I am unable to announce today a decision on programme entry for NNDR, I can assure you, Mr. Deputy Speaker, that we are working hard to resolve all the outstanding issues and to complete our assessment. Depending on whether any further work is required, I hope to be able to come to a conclusion and make a decision by Christmas on whether or not to grant initial funding for the scheme.

Question put and agreed to.

5.56 pm

House adjourned.

House of Commons

Monday 23 November 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Flooding (Cumbria)

2.33 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With permission, I would like to make a statement about the serious flooding in Cumbria and other areas of the country in the past few days. I have to report that PC Bill Barker lost his life in the floods in Workington while protecting the public. I know that the House will wish to echo the tribute paid by the Prime Minister on Friday to PC Barker. He was a very brave man. I also have to report that Michael Streeter, a contractor working for the Environment Agency, died following an accident on Selsey bill in West Sussex, where he was maintaining defences. There has been one other fatality—Mr. Chris Wheeler, a canoeist—and a woman is missing in Wales. Our thoughts are with all their families and colleagues.

The flooding was caused by sustained rainfall from Wednesday evening onwards. In some parts of Cumbria there were unprecedented amounts of rain, totalling more than 300 mm—that is more than 12 inches—in 24 hours. The worst affected areas were in west and central Cumbria. Around 1,300 or more properties have flooded, mainly in Cockermouth, Workington, Ulverston, Burneside, Kendal, Keswick and Eamont Bridge, but also in a number of small villages.

As the forecast heavy rain arrived, silver and gold commands were quickly set up, and many residents were evacuated, some by helicopter. Some went to stay with family and friends; others have been housed in reception centres set up in Kendal, Cockermouth and Keswick. Many local roads have been affected, the west coast main line was temporarily suspended, and six bridges have collapsed due to the force of the water. Workington has lost Northside bridge, and the Calva bridge has been seriously damaged. Councils are making arrangements to ensure that residents can get access to essential services. More than 1,000 properties lost electricity, 40 were without mains water, and 12,000 were left without landline phones. Efforts are being made by the utility companies to restore supplies, and most of the landlines are now working.

I saw for myself on Friday and Saturday in Cockermouth just what an effect the torrent of water had on homes, businesses and communities. It is utterly devastating, and the House will wish to express its sympathy to all those affected. The House will also wish to pay tribute to all those who have been involved in responding to the emergency, in particular those who worked so hard throughout Thursday night and into the weekend, led by chief constable Craig Mackey. That includes the staff of the fire, ambulance, and police services, the Royal National Lifeboat Institution, the Royal Society for the Prevention of Cruelty to Animals, the Maritime and Coastguard Agency, Mountain Rescue England and Wales, our armed forces, local authorities, the Environment Agency, the voluntary sector and, of course, the communities affected—neighbour once again helping neighbour, and showing the best of human spirit. I would also like to thank all the MPs in Cumbria, who have been working so hard to look after their constituents.

The Government and local councils will do everything possible to help people to rebuild their lives, although we know that it takes time for homes and buildings to dry out. Council homeless teams are arranging longer-term accommodation for those who need it. The Secretary of State for Communities and Local Government activated the Bellwin scheme for the worst-affected areas on Friday morning. That scheme helps local authorities with the cost of emergency assistance and clean-up. In recognition of the exceptional nature of the floods, he has extended the scheme to allow authorities to claim 100 per cent. of the costs incurred, as was the case in 2007.

The Prime Minister announced, during his visit on Saturday, £1 million in community recovery grant, to match the amount being given by the regional development agency to support the many small businesses that have been severely affected. The Department for Transport will also provide emergency funding—as it did two years ago—to help with repairs to bridges and roads.

Cleaning up the mess has now started, and Cumbria county council is leading the local recovery effort. There will be a ministerial meeting later this afternoon to look at what more needs to be done to help. However, I must advise the House that further heavy rain is forecast overnight, and there may be some further flooding. The Association of British Insurers has urged people who have been flooded to contact their insurance company as quickly as possible. Its first priority is to ensure that every claim is dealt with promptly, and it will do everything that it can to help customers to recover.

As with all major flooding, there will be lessons to be learned, although I have to say that the response of the emergency services was very impressive. We will work with the Environment Agency and others to ensure that the lessons are learned. In the two years since the 2007 floods, the Environment Agency has completed 106 flood defence schemes, protecting more than 63,000 additional homes in England and Wales, including in Carlisle. As I saw for myself on Friday, the new £40 million flood defence scheme there, built after the 2005 floods, helped to prevent flooding to around 3,000 properties last weekend.

The House will know that, in the decade to 2007, we more than doubled spending on flood and coastal erosion defence. We are investing a record £2.15 billion over the current three-year spending period. We have also responded to the Pitt report by setting up the Flood Forecasting Centre, to provide better early warning of flooding; invested £2 million in improved flood rescue capability, including improving co-ordination of rescue boats; set up a £5 million scheme for household flood protection; and encouraged 140,000 additional people to sign up to receive flood warnings in England and Wales.

We have also introduced the Flood and Water Management Bill that is currently before the House. I would like to thank the Environment, Food and Rural

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Affairs Committee for its scrutiny of the draft Bill, and I am sure that Members on both sides of the House will help in getting that important Bill on to the statute book.

Although we cannot attribute this particular event to climate change, we can expect to see more extreme weather in the years ahead. That is a future that we must prepare for. I will, of course, keep the House informed of any further significant developments.

Nick Herbert (Arundel and South Downs) (Con): I thank the Secretary of State for early sight of his statement a short while ago. On behalf of the official Opposition, I extend our sympathy to the individuals, families and businesses affected by the floods. I, too, saw the scale of the damage when I visited Keswick and Cockermouth on Saturday. The effect on people's homes and local businesses is dreadful. My hon. Friend the Member for Vale of York (Miss McIntosh) has been touring the affected areas today, and the Leader of the Opposition will be visiting this week.

We pay tribute to the dedicated professionalism of the emergency services, and in particular to PC Bill Barker, who tragically lost his life during the rescue operation. We also remember the Environment Agency contractor and the canoeist who have died in the past few days. Our thoughts are with all their families at this difficult time. I applaud the tremendous efforts of so many volunteers who have been working to support the community throughout the past few days.

As I made clear at the weekend, we on the Opposition Benches have pledged our full support for all the measures needed to help the communities affected. Although most insurance policies will cover the costs of alternative accommodation, it is the length of time away from their homes that will weigh most heavily on local people. We recognise that there are issues of safety, but even if families cannot move back home immediately, does the Secretary of State agree that they should be allowed the chance to inspect the damage at the earliest opportunity, as I understand some have been today?

Regrettably, hundreds of families will be out of their homes for Christmas because it can take many months for flood-damaged houses to be fit for habitation. Although I appreciate that housing stock needs time to dry out, does the Secretary of State agree that we need a concerted effort to get people back into their homes and businesses as soon as practically possible? We must do all we can to avoid a repeat of the situation after the floods of 2005 and 2007, when some people were displaced from their properties for months on end or even years.

Clearly, the situation with broken or potentially unsafe bridges is causing real problems for the local community. Can the Secretary of State indicate what role there might be in the short term for Army engineers to erect temporary crossings?

We appreciate that the affected areas saw record rainfall on Thursday, and that the water rose to such levels that flood defences were overwhelmed. However, when some of these communities have been flooded twice in four years, does the Secretary of State agree that there should be a formal review of flood defences in the area, not just to understand fully what happened, but to assess future needs? Does he also agree that, across the country, we will need to consider augmenting hard flood defences with alleviation measures such as natural upland drainage systems?

We have welcomed the introduction of the Flood and Water Management Bill and we will back the necessary measures to implement the Pitt review recommendations for flood prevention so that they become law at the earliest opportunity. Has the Cabinet Committee specifically recommended by Pitt to improve the country's ability to deal with flooding met?

Our climate is changing and bringing with it more extreme weather. Inevitably, there will be floods that cannot be prevented, but when one in six homes are at risk of flooding, is it not essential that effective measures be put in place to prevent future incidents where that is possible? We on the Conservative Benches are committed to working constructively to that end, but does the Secretary of State agree that, as the clean-up takes place, as we move from emergency to recovery and as media attention moves on, we must continue to remember the individuals and families who have been affected by these events and maintain every effort to ensure that they can return to normal life as soon as possible?

Hilary Benn: I am grateful to the hon. Gentleman for his words of appreciation to all those who have worked so hard, and for his visit on Saturday. I can inform the House that the Minister with responsibility for flood recovery, my right hon. Friend the Minister for Regional Economic Development and Co-ordination, was in Workington and Cockermouth yesterday; and the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), is in Cumbria today, as is Lord McKenzie of Luton. I know from personal experience that people on the ground appreciate such visits, because they help to show that people in very difficult circumstances are not forgotten. I agree with the hon. Gentleman's point about the need to be there to support people in the long term, not just in the immediate aftermath of the flooding.

I understand completely the wish of residents to be able to get back into their homes. I spoke to two or three who made that very point to me on Saturday morning. The police and the engineers have to be sure, however, that structures are safe for people to go back into. The torrent of water that went down Main street in Cockermouth, in particular, was extremely powerful, and they need to check that buildings are safe. However, I am sure that the police will seek to enable access as quickly as possible, subject to that requirement.

On bridges, we will, indeed, look at what can be done. I am happy to confirm that the Cabinet Committee that Sir Michael Pitt recommended has met, and, as I have already told the House, we will have a ministerial meeting later today.

The hon. Gentleman referred to previous flooding. He will be aware that a flood defence scheme was put in place in Cockermouth in the late 1990s, and it was topped up a bit in the wake of the 2005 floods. However, it was completely, as he said, overwhelmed.

In the case of Keswick, where a scheme has been under consideration, I am advised that it, too, would have been overwhelmed by the scale of the water that we saw. However, I am happy to assure the hon. Gentleman that we will look in particular at what can be learned in relation to flood defences in Cumbria.

Upland flood storage, which the hon. Gentleman mentioned, is part of the approach that the Environment Agency takes in trying to find a way to manage water. One can either defend places using higher walls as the water comes through, or try to reduce the rate of flow by storing it elsewhere, which flood plains have done naturally for many years.

I am also grateful to the hon. Gentleman for his expression of support for the Flood and Water Management Bill, which will complete the process, which we have already started, of implementing Pitt's many recommendations. That has not stopped us getting on with a great deal in the past two years, as I have already indicated to the House, but it will clarify the law, where required, both on the responsibilities of local authorities, and on reservoir safety, which was an important recommendation of Sir Michael's report.

Tim Farron (Westmorland and Lonsdale) (LD): In thanking the Secretary of State for his statement, may I add my thanks to all those who have worked heroically since the early hours of Thursday morning to protect residents, homes and businesses throughout Cumbria? My brother-in-law is a member of Cumbria constabulary, and I have many friends in the force. They, like the whole community, are devastated by the loss of PC Barker, and I join the Secretary of State and the Prime Minister in conveying my sympathy to PC Barker's family. I assure them of our prayers of support and immense gratitude for his service to our community and for his heroism. I also join the Secretary of State in his expressions of sympathy to the families of Michael Streeter and Chris Wheeler.

Throughout my constituency, the police, the fire service, the ambulance service, the coastguard and South Lakeland district council deserve our thanks and praise, as do the volunteers in mountain rescue and in bay search and rescue. Our whole local community, and our local media, deserve praise, too. As of yesterday afternoon, the flood relief fund stood at £140,000 from voluntary donations alone, and that makes me extremely proud to be a Cumbrian.

Since Thursday morning, I have visited residents and businesses in my constituency in Kendal, Burneside, Staveley, Windermere, Bowness and Ambleside. In each place, I have found people who have been devastated by the floods, but they are determined to work together and refuse to be cowed by the devastation. Indeed, the catastrophe has brought our community even closer together. On Thursday, as the River Kent was bursting its banks on Aynam road in Kendal, I joined dozens of volunteers in a desperate and, I should say, successful bid to move to safety thousands of Christmas presents bound for orphanages in eastern Europe before the flood waters encroached on the warehouse.

I walked with a family of local volunteers back to their home on Aynam road. Our mood of optimism and common endeavour fell as we discovered that the children's downstairs bedrooms had been flooded. It was heartbreaking to witness. There, in one vignette, I saw the camaraderie and common endeavour on the one hand, and the deep and devastating loss and upset on the other.

Only 10 days ago, I took United Utilities and Environment Agency representatives to Burneside, where I pointed out to them the risk of flooding. United Utilities said that the cause of flooding was the inadequate capacity of the Kendal drainage system, but that an upgrade was a low priority. I am afraid that we have now paid for that complacency; homes in Kendal and Burneside flooded on Thursday. In most cases, they flooded because of a drainage system that was seriously undercapacity. Does the Secretary of State agree that we need an upgrade as a priority?

I thank the Secretary of State and Environment Agency officials for keeping me well informed throughout the past few days, but may I ask him why residents on the Environment Agency's flood watch call list were not given targeted warnings at all, or, in the case of Burneside, were texted six hours after their homes had been flooded? Given that the national Flood Forecasting Centre has the know-how to predict with pinpoint accuracy the likely communities and streets that will flood, why has it not been allowed to convey targeted warnings in advance to residents and businesses?

Will the Secretary of State ensure that insurance companies do not respond to the disaster by hiking up insurance premiums in the affected areas, or by massively increasing the insurance excesses? Does he agree that local authorities should be given the right to turn down any planning application for building in flood-risk areas? Will he acknowledge that the delay in the arrival of the Flood and Water Management Bill has meant that confusion remains over who is responsible for so many aspects of flood prevention?

I spent yesterday in Ambleside and Bowness with my family and saw businesses carrying on as usual, refusing to give in to the elements. The spirit out there is indefatigable and the message that those enterprises want me to get across is that the Lake district is very much open for business. The floods have been devastating, but we are made of stern stuff in Cumbria, and we are determined to carry on.

Finally, will the Secretary of State join me in calling on the British people to support Cumbria by continuing to visit and enjoy the festive spirit in Britain's most spectacular county?

Hilary Benn: I am grateful to the hon. Gentleman for his words of sympathy and eloquent appreciation of the efforts that the community is making; obviously, he has been at the heart of those in the past few days. I want to echo the point that he made about the local media. At times such as these, local radio in particular, but also local television, are tried and trusted sources of information about what is happening and where people can go to get assistance.

I turn to the warnings. Obviously, a flood warning was issued to Kendal. However, much depends on the nature of the flooding; there is no warning for surface water flooding, by definition, because unless we know exactly where the rain is going to land, it is hard to indicate where surface water flooding may arise. That is why one of the measures in the Flood and Water Management Bill is to give the local authority, the upper tier or unitary authority lead responsibility for bringing together all the people with responsibility for bits of the drainage infrastructure—they could be the private owners of culverts, the Highways Agency, the council and others—to do precisely what the hon. Gentleman has suggested needs to be done to deal with the problem. I should add that we are also dealing with the legacy of 150 years of paving, tarmacking and concreting over all

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the land in our towns and cities. If that is done and huge amounts of rain fall out of the sky, where will the water go? That legacy has to be dealt with.

Local authorities do have the powers in respect of building on floodplains. As the hon. Gentleman will be aware, we strengthened the planning guidance; the Environment Agency must now be consulted on planning applications. I am happy to report that in the vast majority of cases the decision goes in line with what the Environment Agency has to say about whether it is safe to build on a floodplain. It all depends on whether homes can be adequately defended.

I very much echo the hon. Gentleman's final point. I hope that people continue to visit Cumbria and support businesses there. As one shop owner in Cockermouth said to me on Saturday, once things are up and running again, the most important thing is that people come and use the shops, to help businesses to get back on their feet.

Mr. John Hutton (Barrow and Furness) (Lab): I am grateful to my right hon. Friend for the prompt action that he and his colleagues have taken. I echo the respect that he has shown for the emergency services in Cumbria. We are very proud of them; they have done a brilliant job.

Does my right hon. Friend agree that the best way for us to demonstrate our long-term commitment to the recovery process, which is now inevitable, is to make an announcement soon about the additional resources that will be available to repair the bridges that we have lost? Until we are clear about how we will do that, the long-term health of the Cumbrian economy will still be a concern for many.

Hilary Benn: I am grateful to my right hon. Friend. In relation to the bridges, there is a well established scheme, which, as I mentioned a moment ago, operated in 2007, in which the Department for Transport helps with costs that exceed 15 per cent. of the highways budgets of the affected authorities. That paid out a considerable sum in the wake of the 2007 floods. Precisely what will be required will depend on the nature of the damage. We will not know the extent of the damage until engineers have had a chance to inspect all the bridges. In many cases, the high water levels make that very difficult at the moment. I spoke to the Secretary of State for Transport on Saturday evening. Folk from the Highways Agency are working to support the local authorities in undertaking this work, and we will do everything that we can to help.

David Maclean (Penrith and The Border) (Con): I thank the Secretary of State for his statement. I and my constituents pass on our condolences to the family and friends of PC Barker. I phoned the chief constable on Friday to pass on those condolences. I also thank the Secretary of State for his customary courtesy since the crisis broke in keeping Members of Parliament in the county informed of developments. I wish that every Minister would follow his example.

My constituency, on the eastern side of Cumbria, has been less affected on this occasion than it has in the past. When I visited those in Appleby and Eamont Bridge who had been affected, on Saturday, their hearts went out to their fellow Cumbrians in the west of the county who had been devastated. In Appleby, the experiment by the Environment Agency of individual household floodgates worked about 98 per cent. of the time. The two occasions on which they did not work were in one house that was way below the river level and one that had a wonky doorstep. I plead with the Secretary of State to consider a small-scale scheme in Eamont Bridge, where we will need something different from and better than individual floodgates to help.

I also thank the emergency services in Cumbria and all the other volunteers. I echo the point made by the right hon. Member for Barrow and Furness (Mr. Hutton). Devastating though this is for the individuals in Cumbria who have been flooded—and there is nothing worse than seeing a house that has been flooded—Cumbrians will get on with drying their places out. We will pull ourselves up by the bootstraps, but we cannot rebuild the bridges and the infrastructure. Cumbria is 300 miles from London, and we depend on transport links to London, and on having the best transport links in our county. I plead with the Secretary of State to ensure that we get our bridges rebuilt, not just our trunk roads.

We have a record amount of flooding in Cumbria. We also have the record for the longest serving temporary Bailey bridge in history. The bridge over the River Eden between Penrith and Langwathby was washed away in 1968, and we are still using the Bailey bridge, which has survived various floods. I know that the Secretary of State will not wish to go down in history as installing the largest number of temporary Bailey bridges.

Hilary Benn: I am grateful to the right hon. Gentleman for that important bit of history and for reminding the House that flooding has occurred before and damaged infrastructure. He will be aware from what I have already said that I am acutely conscious of the point that he and other hon. Members have made about the disruption to transport infrastructure. The fact that the Papcastle bridge near Workington is reported to have reopened will offer some relief, given that one bridge has gone and the other is in serious danger. My right hon. Friend the Minister for Regional Economic Development and Co-ordination was briefed on this in her meeting with local authority leaders yesterday, and we will follow that up in the way that I have already indicated.

I also echo what the right hon. Gentleman said about the benefit of the flood guard defences. It will not be possible in every case to build a flood defence scheme, but we need to prepare for the future by making our homes more resilient and that is one very good example of how to do it.

Derek Twigg (Halton) (Lab): Despite previous experiences, is my right hon. Friend confident that insurance companies will actually pay up quickly? Will his officials meet insurance companies to put pressure on them to pay up quickly to the people concerned?

Hilary Benn: My right hon. Friend the Minister will be meeting the insurance companies—as we did after the 2007 floods. To give an example of the quick response by one insurance company, when I visited the rest centre in Cockermouth for the second time on Saturday, one insurance company had already turned up and was dealing with people's claims there and then. That shows

how it is possible to respond. Insurance companies are very conscious of the need to help people to deal with their claims as quickly as possible, but I can assure my hon. Friend that we will follow that point up.

Sir Alan Beith (Berwick-upon-Tweed) (LD): People in Northumberland, some of whom have only recently returned to their homes after the floods of more than a year ago, will be full of sympathy for their neighbours in Cumbria in this crisis. Will the Secretary of State take particular note of the work done by military search and rescue in rescuing people in the current operation and draw the Secretary of State for Defence's attention to the need to review carefully the lessons from what has happened on the number of helicopters and crew that we need to deal with disasters?

Hilary Benn: As I have indicated, we will indeed learn all the lessons. At one time, in the early hours of Friday morning, the only way to rescue anyone from Cockermouth was by helicopter, because the force of the water was such that the rescue boats could not be used. I pay particular tribute to the skill of those crews, flying in very difficult circumstances indeed.

Andrew Miller (Ellesmere Port and Neston) (Lab): The establishment of the Flood Forecasting Centre is a welcome development and a good example of investment in the science that we need in that area. However, given the abnormal weather events that are occurring and, of course, climate change, is my right hon. Friend satisfied that sufficient resources are going into that? Will he also ensure that the best scientific advice is sought, to ensure that Britain is at the forefront in that field?

Hilary Benn: The establishment of the Flood Forecasting Centre has been a great step forward. I have visited it and seen EA and Met Office staff sitting side by side, issuing a single, unified forecast, which is a great step forward. We were all well aware that the rainfall was coming, which shows the benefits of one of the recommendations of Sir Michael Pitt's report. The Flood Forecasting Centre is certainly working effectively, and I have put money in to make that to happen.

Sir Patrick Cormack (South Staffordshire) (Con): Does the Secretary of State accept that many of the tourists who go to Cockermouth are lovers of Wordsworth's poetry who go to see his birthplace, which is a tourist magnet in that part of the world? Can the Secretary of State assure the House that the National Trust will be given every necessary help to ensure that that birthplace and wonderful historic house is restored?

Hilary Benn: I am sure that the National Trust—I believe that one of its representatives was on the radio this morning—will do everything that it can to ensure that that great tourist destination and an important part of Cumbria's history is available for people to visit. I am sure, too, that the local Members representing Cumbria will play a part in doing that. In addition to those Members who are in the House today, may I also pay tribute to my hon. Friends the Members for Copeland (Mr. Reed) and, in particular, for Workington (Tony Cunningham)? He has been hard at it since the crisis started, looking after his constituents, which is typical of the care and concern that all Members who represent Cumbrian constituencies have shown for the people whom they represent.

Tom Levitt (High Peak) (Lab): Clearly it is not feasible to design bridges and other structures to withstand a once-in-one-thousand-year event. However, could the Secretary of State please tell us how the frequency and risk of such events are calculated, when they were last calculated and whether a recalculation, with consequent changes to the design of structures such as bridges, is likely to happen?

Hilary Benn: My hon. Friend raises an extremely important point. The standard that the Environment Agency currently uses is based on the best assessment that it can make, but he is right that the degree of protection that it offers will change as the climate changes and we have a better understanding of the greater risk that we face in the future. However, if I may, I will respond to him in a letter with some more detailed information.

Angela Watkinson (Upminster) (Con): Business and home owners, and not just in the current flood-damaged area but in other flood-risk areas, will be concerned about their prospects of obtaining buildings and contents insurance. The Secretary of State has already indicated that discussions will be held with the insurance industry. Could he urge it to ensure that there is comprehensive advice and information about people's future insurance arrangements, and not just compensation for the current damage?

Hilary Benn: I will certainly do that. The hon. Lady raises a very important point. The Minister for Regional Economic Development and Co-ordination will follow it up in her conversations with the insurance companies, and the regional development agency is offering helpful advice to businesses that are facing a tough time.

Mr. John Grogan (Selby) (Lab): Will my right hon. Friend urge the Government business managers, including my right hon. Friend the Chief Whip, to allow an early date for the Second Reading of the Flood and Water Management Bill before Christmas, to allow it the maximum opportunity to get through all its stages before Parliament is dissolved?

Hilary Benn: I am sure that the House will wish to make as swift progress as possible on that Bill.

Bob Spink (Castle Point) (Ind): In 1953, 58 people living on Canvey Island in my constituency were killed in the flood of that year. Will the Secretary of State and the Government ensure that their planning inspectors and the Environment Agency do all that they can to stop local councils going ahead with building on flood plains? Castle Point borough council is stupidly planning to build hundreds of houses on Canvey Island's floodplain.

Hilary Benn: As the hon. Gentleman has heard, we have strengthened the planning guidance to make it clear that local authorities must take flood risk into account, and to ensure that the Environment Agency—the experts—is consulted. I would expect local authorities in all circumstances to listen very seriously to what the Environment Agency has to say about particular applications.

Point of Order

3.6 pm

Mr. Frank Field (Birkenhead) (Lab): On a point of order, Mr. Speaker. Before we commence today's business, may I draw to your attention to the early-day motion on the Order Paper, which has attracted growing support? It calls for a debate, that can be amended and voted on, on Afghanistan. Will you consider that matter when you decide what we are to vote on in the Queen's Speech?

Mr. Speaker: That is not a point of order, but, in so far as it is an important point, it has been noted; it had not escaped my attention. I can tell the right hon. Gentleman that due attention will be given to that matter.

Debate on the Address

[3RD DAY]

Debate resumed (Order, 19 November).

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Foreign and Commonwealth Affairs and Defence

3.6 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I am pleased to open today's debate, and I apologise that a prior diplomatic engagement means that I will not be here for the wind-up speeches.

Reviewing the debates that we have held since 2005 on successive Gracious Speeches, we can see that two sets of issues have dominated them. The first includes terrorism, weapons proliferation, and broader instability; the second involves the conditions for wider global security and prosperity. Over the past four years, UK leadership in pursuit of British interests and values has supported important changes in both areas. Two examples relate to conflict situations. In Iraq, the overall security situation is now stable and the capability of Iraqi security forces continues to improve. We hope that the progress of the past two years will be consolidated following national elections early next year. In Kosovo, now an independent state, last week's local elections showed that different ethnic communities are increasingly coming together to build a more peaceful and prosperous future.

Meanwhile, in respect of the broader conditions for global security and prosperity, London's summit in April co-ordinated international efforts to revive the global economy, and the prospect of EU membership continues to drive reform and progress in Europe's neighbourhood. Turkey has made progress on human rights and judicial reform, Serbia has stepped up its co-operation with the international war crimes tribunal, and the European Commission has recently assessed that Macedonia is ready to start accession negotiations. The biggest concern in the western Balkans is now Bosnia, as I set out in a written ministerial statement last week.

Activism, multilateralism and internationalism have given Britain real influence. We will capitalise on that in this parliamentary Session. I do not need to tell the House that the biggest challenge is obviously Afghanistan and the related problems in Pakistan. I identified this as the No. 1 foreign policy priority for the Government in my first week as Foreign Secretary, and it continues to be so today. All hon. Members will no doubt want to join me in paying tribute to the 98 soldiers who have given their lives in the year since the last Queen's Speech, to the families left behind, and to the wounded. My visit to Afghanistan last week reinforced for me the bravery,

commitment and professionalism with which all parts of the UK team—soldiers, diplomats and aid workers—are taking their work forward.

Adam Price (Carmarthen, East and Dinefwr) (PC): The Foreign Secretary will be aware that, last month, the Dutch Parliament held a vote following a debate on its military mission in Afghanistan. The German Parliament is due to hold a similar vote next month. May we have a debate and a vote on this matter in the British Parliament, as the amendment on the Order Paper calls for? We have not had such a debate since the beginning of our engagement in Afghanistan eight years ago.

David Miliband: I think you made it clear, Mr. Speaker, in response to the point of order raised by my right hon. Friend the Member for Birkenhead (Mr. Field)—or rather, as it was not quite a point of order, an important issue none the less—that you would seriously consider this matter, also raised by the hon. Member for Carmarthen, East and Dinefwr (Adam Price).

Bob Spink (Castle Point) (Ind): I am sure that the Foreign Secretary is right to feel, as we all do, that we should be concerned about the morale of our troops fighting on active service abroad. Will he therefore try to ensure that those in the armed forces who are returning from action get priority for local housing when they get back to this country, as they need local social housing if they are not to become homeless, as has happened to a number of returning soldiers in Essex?

David Miliband: As I think the hon. Gentleman will know from the recent Command Paper in respect of provision for armed services personnel, that is one of the issues under discussion, and I am sure that my right hon. Friend the Defence Secretary will be happy to say more about it either in the summing-up speech later tonight or in direct response to the hon. Gentleman.

There were important undertakings for everyone to welcome in President Karzai's inauguration speech, but I am sure I speak for the whole House when I say that it is key that they are implemented. His commitments to reach out to his opponents, to promote national reconciliation, including through a Loya Jirga, to strengthen the Afghan security forces and to stamp down on corruption are right and important, but implementation is going to be more important than the words.

It is critical that NATO and, over time, the Afghan national army have sufficient strength to beat back the Taliban, but success depends on aligning military resources and development assistance behind a clear political strategy that addresses the root causes of the insurgency rather than just its symptoms. Three points are key.

The first is the Afghan people and their loyalty. Improving security is about protecting them from Taliban bribery and intimidation, and improving governance, especially at the local level, is about convincing them that it is in their interests to help Afghan and coalition forces do so. The second is the insurgency. Not all insurgents are ideologues; in fact, a minority are. Some fight for money or out of fear. As we ratchet up military pressure, we need to support the Afghan Government in efforts to reintegrate former insurgents back into their villages. Thirdly, we need to support constructive roles for Afghanistan's neighbours. The country has historically been a chessboard for the battles of others. We must ensure that Afghanistan is a friend to all, but a client of none.

Paul Flynn (Newport, West) (Lab): Could not President Karzai give my right hon. Friend proof of his sincerity to end corruption by making a commitment to arrest his drug-dealing brother, Wali Karzai?

David Miliband: I think I have said to my hon. Friend on a number of occasions that President Karzai's commitment is to follow any evidence with which he is presented. He talked on Thursday about a culture of impunity, which I believe is important. I am sure that my hon. Friend would agree with me that the absolute key is going to be actions rather than words. While we welcome the setting up of units and task forces and the passing of laws, the absolute essence of progress is going to be seeing those turned into reality.

Mr. John Baron (Billericay) (Con): Despite not having supported our initial involvement in Afghanistan, I agree with the Government that the message we send out has to be very clear. Can the Foreign Secretary therefore square the circle regarding some of the contradictory messages that have issued from the Government recently—for example, we heard from the Prime Minister that the presence of British troops is essential in Afghanistan to safeguard the British people from terrorism, yet we also hear that if President Karzai does not clean up his act, British troops will be coming home?

David Miliband: It is very important to be clear about this. Members on both sides of the House have supported a British military presence in Afghanistan because of the security risks that would arise from the rolling over of the Afghan security forces by the insurgency. We know that Afghanistan was the incubator of international terrorism in the 1990s—and the incubator of choice for al-Qaeda. We also know about the dangers for Pakistan that would come from the opening of safe space on the Afghan side of the border for al-Qaeda forces, which are currently under significant pressure.

In respect of conditionality, it is important to be clear, first, that the Government never pay money to Governments abroad for development assistance unless they are sure about how that money is going to be spent. It is certainly a condition placed in a number of countries that when development assistance is paid, we want to ensure that it is followed through down to the ground. In respect of Afghanistan, my right hon. Friend the Secretary of State for International Development will confirm that condition, although I think I am right in saying that it is PricewaterhouseCoopers that undertakes the international audit to ensure that the money is properly spent. There is also a World Bank trust fund, which is the core means of achieving that, but it is also the case that in other countries where we do have concerns about whether the money will reach those for whom it is intended, that money is not paid through the Government. That is a different question from whether or not the number of British troops has increased, which the Prime Minister has said will be done on the basis of proper burden sharing with allies or with reference to the wider debate. If the hon. Gentleman looks carefully at what the Prime Minister, I and other Ministers have said, he will see that we have kept to that level of detail, which is important.

Mr. Baron: With respect, the Foreign Secretary still has not explained the contradiction: on the one hand, the Government say that British troops are in Afghanistan to protect British citizens from terrorism, and, on the other, that if President Karzai does not clean up his corrupt Government, British troops will come home. That contradiction sends out mixed messages to the British public and to our forces in Afghanistan.

Hon. Members: Hear, hear.

David Miliband: Before the hon. Gentleman takes congratulations on his intervention from those sitting two Benches behind him, I will try to explain why I do not agree with him. There is not a contradiction, because that would suggest that the interests of the Afghan people and our interests in developing a proper partnership between the Afghan Government and the international community are different. The Afghan people are the first to say that corruption is a sap on the loyalty that they feel to their Government. In any counter-insurgency, it is critical that the population's loyalty to their Government is maintained. We are in Afghanistan to ensure that its territorial integrity can be maintained, and that a safe space is not created for international terrorism there. It is consistent to say, clearly, that what is in the Afghan people's interest, and our interest, is a Government whom they can trust. It is right, and essential, that we continue to make that point.

Harry Cohen (Leyton and Wanstead) (Lab): Does my right hon. Friend agree with the report in a newspaper last week that if foreign forces, including ours, were not in Afghanistan, the Afghan Government would fall in a matter of weeks? If that is anywhere near the case, how can they be a popular, democratic Government, and how can our presence be described as anything other than an occupation?

David Miliband: Put simply, because the Afghan national army and associated security forces are being built up from a very low level. All polling evidence, and any conversation with ordinary people in Afghanistan, tells us that they do not want to go back to the Taliban, that they fear Taliban misrule, and that, without foreign forces, their own forces would be unable to withstand attack. Over the past few years, the Afghan national army has been built up to some 90,000, which is a significant step on the road to the 134,000 that General McChrystal has set as an interim target, which has been brought forward to next November—a challenging, but none the less important, time scale. It is completely reasonable that we stick with that plan to build up Afghan security forces so that they can withstand the insurgency. I do not believe that my hon. Friend will find either a majority of Afghan people who seek a withdrawal of British troops, or a majority who suggest that Afghan forces will be able to withstand the insurgency on their own—they will not be able to do so at the moment.

Mr. Frank Field (Birkenhead) (Lab): The Prime Minister has clearly said that one of the criteria for keeping British troops in Afghanistan is that the Afghan President cleans up his act against fraud. When will the Government set out what they mean by "cleaning up his act" so that we can judge whether he has met such targets?

David Miliband: If my right hon. Friend refers back to the Prime Minister's speech at the Mansion House last Monday, he will see that of the five areas set out by the Prime Minister, one concerned action against corruption. He went into some detail, for example in respect of the task force that had been set up two days before the speech, by Interior Minister Atmar, whom I met last Thursday in Kabul. The prosecution powers of that task force and its investigative powers need to be turned into a proper legislative form once the appointment of the new Interior Minister, or the reappointment of the existing one, takes place—

Mr. Field: Our troops—

Mr. Speaker: Order. The right hon. Gentleman is a very experienced Member and knows that we cannot have sedentary interventions.

David Miliband: What the Prime Minister was setting out was a matter of common sense. The actions of the Afghan Government in respect of how they deliver services and make appointments will be important in determining how the Afghan people see their Government. That will be important to the success with which a counter-insurgency is pursued.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Does the Foreign Secretary accept that it is a question of not just President Karzai but political figures such as Abdullah Abdullah taking some responsibility for Afghanistan as a country, and starting to act in the national interest? They need to deal with corruption collectively, and to act in the collective interest of the country rather than in tribal and individual interests.

David Miliband: My hon. Friend makes an important point. Afghanistan now has a presidential system, but it also has some significant Cabinet Ministers who hold significant power. As for the opposition, they too have an important role to play.

I met Dr. Abdullah in Afghanistan last Thursday. While he has made clear that he does not wish to join a Government of national unity in Afghanistan, he can play an important role in helping to promote a unity programme for any Government. I think that there are significant issues that could bring different sides together; and, as my hon. Friend suggests, if Dr. Abdullah is to become leader of the opposition, he will be able to play a constructive role in that capacity as well.

Hon. Members will know of the ethnic divisions that exist in Afghanistan. An important part of the job of the new Government is to ensure that all parts of Afghan society feel that they have a stake in the political system, at local and national level. As my hon. Friend pointed out, opposition figures have an important responsibility in that respect.

I said that one of the three key tasks for the counter-insurgency related to the region, and especially to Afghanistan's neighbours. One neighbour is more important than any other: Pakistan. For years insurgents have flowed freely backwards and forwards across the Afghan-Pakistan border, and that is not going to stop any time soon. In the last year, however, the Pakistani army has taken the fight to the Pakistani Taliban in Swat, south Waziristan and elsewhere.

I considered it noteworthy that the Chief Minister of the North West Frontier province, Asfandyar Wali Khan, who represents the secular Awami National party in Pakistan, was present at the inauguration of President Karzai. He reported to me the significant progress made in the Swat valley, where as recently as June and July there were some 2.8 million internally displaced persons. Those IDPs have now returned to their houses, and the Pakistani authorities have been able to establish order. The situation in south Waziristan is obviously one of more recent conflict. The insurgents are now, for the first time, being squeezed on both sides of the Afghan-Pakistan border. That is true in the south of Pakistan and also in the east, which I visited earlier in the year.

Our Government will continue to support the action of the Pakistani Government. I assured President Zardari of that last week. We will also encourage Islamabad to focus not just on the Pakistani Taliban, who are a direct threat to the Pakistani state, but also on al-Qaeda and the Afghan Taliban. We will continue to help mitigate the effects of conflict on the Pakistani people with additional humanitarian assistance for those who have been displaced and development assistance to help them to rebuild their lives. The Department for International Development recently committed more than £665 million over four years to Pakistan. We have had some success in getting the European Union to increase its contribution and also to focus on issues such as trade and constitutional and political reform, but we will continue to push for a greater effort.

Jeremy Corbyn (Islington, North) (Lab): Is my right hon. Friend at all concerned about reports in today's newspapers that the United States has been funding militia groups in Afghanistan that could possibly spread to Pakistan? Does that not constitute a revisiting of United States support for militia groups at the time of the Soviet intervention in Afghanistan, and could it not sow the seeds for future problems?

David Miliband: I have not seen the reports to which my hon. Friend has referred, but I do not think that the parallel with the mujaheddin fight against the Communist regime—against the Russians—is very apposite. The truth is that in Afghanistan the state will never have a monopoly on violence, and it is as well to be clear about that. It is also true that informal security arrangements at local level have historically been an important part of the balance of power, especially in the south and east of the country. I think it essential for the development of governance arrangements and local policing to take account of that. However, I shall be happy to look at the reports cited by my hon. Friend and write to him about them.

Sir Peter Tapsell (Louth and Horncastle) (Con): Why does the right hon. Gentleman think that the Taliban, who for many years have been confined to the Pashtun, are now gaining support deep in Pakistan?

David Miliband: There is a very obvious answer to that: first, the Pashtun are on both sides of the Afghan-Pakistan border, and, secondly, they have been driven into Pakistan as a result of the 2001 invasion. I am afraid that that is the long and the short of it.

Sir Peter Tapsell: They have not been driven into the Swat valley or Balochistan, which are immense distances away from the Durand frontier.

David Miliband: The multiple insurgencies in Pakistan reflect the whole history of the region, especially that of the entire federally administered tribal areas. The hon. Gentleman will know at least as well as I do that, since 1900, the history of those areas has been extremely fraught. Economic development has never taken place there, political integration with the rest of Pakistan has never properly taken place, and the Pakistani forces have never been properly established a security presence there.

Paul Rowen (Rochdale) (LD): The point here is that there is now terrorist bombing in the Punjab, which is the heart of Pakistan. What does the Foreign Secretary think is the cause of that?

David Miliband: I am happy to go into that, but the truth about the terrorist presence in the Punjab is that at its heart is an organisation called Lashkar-e-Taiba, which is conducting its terrorist operations on the issue of Kashmir. That is its mission. I will be very happy to write to the hon. Gentleman and to go through this with him. He raises an important point, but we should not simply believe that every bombing that takes place in Pakistan has a "Taliban" label. In the case of the Punjab, it does not.

Although the war in Afghanistan consumes more of my attention than any other policy area, the Government continue to work for peace and reconciliation in key conflicts around the world. Across the international community, and perhaps especially throughout the Arab world, there is a strong sense that the middle east peace talks are stalled. This is dangerous for the middle east and, I believe, ultimately dangerous for us.

There is more consensus in the international community than for many years about the basis for a resolution of the dispute between Israel and the Palestinians. The Clinton parameters of 2000-01 broadly encapsulated the terms for a viable two-state solution, but the parties are moving further apart, and those Palestinians and Israelis who are committed to the idea of a Palestinian state based on 1967 borders, with Jerusalem as a shared capital and a fair settlement for refugees, appear smaller in number and weaker in politics than ever before. The US Administration are engaged in a good-faith endeavour to bridge the gap. Their leadership and determination offer the best current hope of progress. We will continue to support these efforts—for example, supporting Prime Minister Fayyad in his economic and security efforts, and delivering aid into Gaza—and like the US and many others, we will continue to reinforce to the Israeli Government, as I will later today when I meet Deputy Prime Minister Shalom, our deepest concern about settlement activity, including in East Jerusalem, which is not just illegal, but provocative and prejudicial to the chance of peace talks. Israel's democracy and values should place it at the heart of the international mainstream, but these acts only play into the hands of those who wrongly seek to delegitimise its very existence. We will not give up on the dwindling opportunity to deliver a two-state solution, because the alternatives—for the people of Israel, Palestine and the region—look so much worse.

Tom Levitt (High Peak) (Lab): I am grateful to my right hon. Friend for his comments about the urgent need to resolve the political situation posed by the settlements, but will he tell us if there is any hope at all of an end to the blockade on humanitarian aid to Gaza, which is still at crisis point? The lifting of that blockade is urgently needed.

David Miliband: My hon. Friend is right to refer to this as a crisis, except for the fact that, given it has been going on for so long—since the war of last December and January of this year—the word can become cheapened or devalued. My hon. Friend is right to raise that issue, however, and we continue to raise it. The number of aid trucks being allowed in has risen since early spring, but it remains below the United Nations level—500 trucks a day is, I think, the estimate of what is necessary. My hon. Friend makes an important point, because the danger is that the only people who gain from the current policy are Hamas.

Mr. Robert Marshall-Andrews (Medway) (Lab): The Foreign Secretary will be aware that, under the Geneva Conventions Act 1957 and the Geneva Conventions (Amendment) Act 1995, our country has not only a right, but a duty, to pursue in criminal courts those who are responsible for grave breaches of those conventions. As a matter of urgency, will he therefore speak to the Director of Public Prosecutions with a view to issuing warrants against those who have been found by the Goldstone report to be clearly and flagrantly in breach of those conventions?

David Miliband: My reading of the Goldstone report suggests that it raises issues for the state of Israel, rather than for individuals involved in the conflict. We have made it clear that the first step in response to that report is for a full and transparent independent inquiry into the allegations to take place.

On conflict in Africa, in the past year we have seen glimmers of hope in Somalia, with the appointment of President Sharif and the inclusive nature of the Djibouti process. That is important because stability in Somalia will come only through agreement to share power at clan and regional level, and instability there has severe implications for not only the horn of Africa, but the rest of the world. Piracy is just one aspect of that. The House will be pleased to learn that the unity and resolve of the international community in responding to this issue has meant that of those ships following the route that is protected by the EU forces and other navies and complying with industry-agreed best practice, just one has been hijacked in the gulf of Aden since last December. Safety in the 1 million square miles of the Somali basin is, however, much harder to deliver, as, unfortunately, has been proved by the kidnap of the British couple Paul and Rachel Chandler. The thoughts of the whole House will be with them and those working for their release.

In eastern Congo, the humanitarian and human rights situation remains dire, but the rapprochement between Rwanda and the Democratic Republic of the Congo means that for the first time in years there is a real chance of progress.

Several hon. Members *rose—*

David Miliband: I will not give way, as I must make some progress. On Sudan—next door to the DRC—we will never forget the continued suffering in Darfur, and we will press Khartoum to act on the bold proposals of the former South African President, Thabo Mbeki, to promote peace, justice and reconciliation. The year 2010 will also be critical for the implementation of the comprehensive peace agreement. After two decades of war, the elections scheduled for next April and then the referendum on self-determination for the south in 2011, will pose major challenges.

In addition to those conflict zones, the political and humanitarian situation in a number of countries is of major concern to Members across the House. The progress made in Zimbabwe over the past year is fragile; there have recently been reports of increased violence and intimidation against Movement for Democratic Change members and civil society activists. We want the inclusive Government to succeed and support the political and economic reform programme that ZANU-PF and the MDC signed up to last September. Additional support from us and from other international donors will depend on the progress made by the parties under this agreement.

The year 2010 will also bring elections to both Burma and Sri Lanka. Unless Aung San Suu Kyi and other political prisoners are released and can participate, and there is genuine dialogue with ethnic leaders and the political opposition, Burmese elections will not have credibility. On Sri Lanka, we welcome this weekend's announcement that from 1 December internally displaced persons will be allowed out of the camps. We hope that that will lead to the unrestricted freedom of movement for all IDPs. After 26 years of conflict, we want to see lasting peace, which will require an inclusive political process and genuine efforts towards reconciliation.

Finally, on the challenges of conflict, and its dangers, I need to talk about Iran. The brutal crackdown against peaceful protestors after the June elections was shocking. The increase in the number of countries supporting a strong resolution on Iran's human rights at the United Nations last week illustrates international concern. The discovery of the covert nuclear facility at Qom and its inspection by the International Atomic Energy Agency raised further questions about Iran's intentions and, indeed, about whether there are any other nuclear facilities in Iran that have not been declared. Iran seems determined to reject the Tehran nuclear research reactor proposal for the manufacture of its low-enriched uranium—LEU—outside Iran. That proposal provides a clear and obvious way for Iran to show that it means what it says about a peaceful nuclear programme—its rejection would be telling and ominous, as is the continued refusal to set further dates for meetings with the E3 plus 3. As agreed in September in New York, we will assess next steps on the dual track in the light of these developments.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Will the Foreign Secretary say explicitly that the United Kingdom would oppose any new proposal for Iran that did not involve its allowing its uranium to be transferred overseas for enrichment?

David Miliband: We support director general el-Baradei's proposal, which he has developed with us, the Americans and the French. The argument is actually not about whether the LEU eventually goes out of Iran—some of

Tehran's counter-proposals involve it doing so, although at a tempo and a stage not in accord with what director general el-Baradei has said.

Despite the challenges, there are a number of opportunities on the horizon on which the Government will seek to capitalise in this Session. The first is climate change and its relationship with economic recovery. I am delighted that at the Commonwealth Heads of Government meeting this week climate change will be a major theme. The Commonwealth is a unique network of soft power, bridging races, religions and regions. Climate change affects us all and it would be fitting if, in its 60th year, the Commonwealth sounded a warning about climate change, called for political leadership on the issue and showed how to find consensus on the big challenges that we face.

On development assistance, the UK will continue to show leadership. The draft international development spending Bill will make binding the Government's commitment to spend 0.7 per cent. of gross national income on international development from 2013.

The year 2010 will also provide the opportunity for a reinvigoration of key elements of international security. President Obama's personal engagement and the prospect of an historic agreement between Russia and the US to cut nuclear warheads put us in a much stronger position to strengthen the non-proliferation and disarmament regime as we look towards the global nuclear security summit in April and the non-proliferation treaty review conference in May.

On weapons proliferation more generally, the brokering of a global arms trade treaty is progressing well. The US has for the first time committed to supporting such a treaty and there is a clear timetable leading to a diplomatic conference to finalise a treaty in 2012. That comes on top of last year's convention on cluster munitions and the cluster munitions (prohibitions) Bill will implement in UK law the convention that bans the use, development, production, stockpiling, retention or transfer of cluster munitions.

In advance of the Lisbon Summit at the end of 2010, NATO will review its strategic concept. NATO needs to build strong ties with other organisations, particularly the EU, to modernise its structures so it has the right tools and capabilities to tackle the threats of today and tomorrow, and to build a frank and constructive relationship with Russia, not shying away from relaying tough messages on difficult issues.

Andrew Mackinlay (Thurrock) (Lab): Does the Secretary of State not understand that the theme throughout this debate—the underlying vein—is Afghanistan? The Afghanistan operation is notionally an article 5 operation of NATO, which requires and implies that there will be solidarity—that other people will step up to the plate. That is precisely what is not happening. NATO is threatened by the mismanagement of the policy as regards Afghanistan. It blows away article 5, which is the cornerstone of the NATO treaty and has endured for 60 or 70 years.

David Miliband: My hon. Friend makes a good point. I understand the importance of the burden-sharing case; I devoted 3,000 words to trying to address it at the NATO Parliamentary Assembly last week. It is right that as the American Government come to a conclusion as regards the McChrystal review, all countries need to review their commitment to the NATO effort.

Mr. Gordon Prentice (Pendle) (Lab): Has my friend had any discussions with the Canadians, who have said that they will withdraw their combat forces from Kandahar in 2011? If he did have such a conversation, what was their response?

David Miliband: Yes, I have had that conversation. I have had a number of conversations with Canadian colleagues about foreign affairs and defence. The best thing that I can say is that I emphasised the importance of the Canadian contribution so far to the effort in Afghanistan and they promised to take my views into account as they develop their future policy. My hon. Friend will know that an election is due in Canada next year, as there is in this country. In Canada, there is a similar degree of unity about the Afghan mission as there is in this country—except in Canada the unity is against the participation of Canadian forces rather than in favour of participation, as is the case here.

The current policy was developed on the basis of the Manley report, which, in 2006-07, considered whether Canada should withdraw from Afghanistan at that time. It decided against that and set the timetable that was subsequently agreed with the international security assistance force. My hon. Friend makes an important point about the value of the Canadian role, which we continue to discuss with the Canadian Government and opposition.

The right hon. Member for Richmond, Yorks (Mr. Hague), who speaks for the Opposition, often says that he seeks bipartisanship on foreign policy—except on Europe. So, let me conclude on that happy note. The majority of the issues that I have covered today—from Russia to Somalia and to Pakistan—engage the UK bilaterally but also through the European Union. We benefit from a strong EU role, not least because we play a leading role in its foreign policy debates. I congratulate Baroness Ashton on her important appointment, which is a major achievement for Britain, and I look forward to working with her as vice-president of the Commission and as High Representative.

Our foreign policy priorities in the EU are clear: through the prospect of enlargement and enhanced partnerships, to transform our eastern neighbourhood and improve co-operation with those to the south; to focus on areas of conflict, above all Afghanistan, Pakistan and the middle east; and to set clear strategic partnerships with the great powers around the world. That will take negotiation and influence. It means reorienting priorities, changing budgets, challenging outdated thinking through strong coalitions, and hard negotiation.

Mr. Michael Fallon (Sevenoaks) (Con): Why did the Prime Minister allow himself to be outwitted by the French into conceding the key internal market and financial services job, with the result that a French Commissioner will be regulating the City of London while Baroness Ashton just hands out the Ferrero Rocher?

David Miliband: It says everything about the modern Conservative party that its members could see the appointment of a British person to the No. 2 job in the European Commission—the vice-president of the European Commission and the High Representative—as somehow a defeat or a concession. It is absolutely absurd to believe that the vice-presidency of the European

[David Miliband]

Commission, the High Representative post—one of only two posts to be agreed last week—should be a defeat or a concession for the Government, the Prime Minister or anybody else.

The Lisbon treaty will facilitate the sort of foreign policy I have described, but the Lisbon treaty also heralds the end of European institutional reform. As the European Council unanimously concluded in December 2007:

"The Lisbon Treaty provides the Union with a stable and lasting institutional framework. We expect no change in the foreseeable future, so that the Union will be able to fully concentrate on addressing the concrete challenges ahead."

Split infinitive apart, that is an excellent sentence.

The Conservative proposals seek to torpedo that consensus. Their five-year plan, which the right hon. Member for Richmond, Yorks has made it clear he would pursue throughout the next Parliament—if he were in government—to renegotiate Britain's relationship with Europe on major issues of social policy and criminal justice will isolate Britain and weaken our bargaining position. The isolation is domestic and international.

The director general of the CBI has said that opting out of the social chapter

"would be slow and painful, damaging the UK's relationship with the EU and causing yet more upheaval for employers."

The director general of the British Chambers of Commerce says:

"Britain wants a pragmatic approach to the EU—not an ideological one. We do not believe that the Conservatives' new policy to opt out of European social and employment legislation is realistic, as it would require substantial UK concessions in return."

The Conservative party needs all 26 other European countries to agree treaty changes, or protocols to treaties. The Conservatives need 14 countries to summon the requisite intergovernmental conference. I ask the right hon. Gentleman in his speech to name any countries that will support an IGC. The reason he cannot is that the truth is clear: not one of them supports a new IGC.

The Spanish Europe Minister says:

"I do not know of a single country in Europe that now thinks we should be spending any time to change the Treaty we have just spent eight years negotiating. It is really, really impossible."

The Dutch Europe Minister says:

"There is more chance of a snowball surviving in hell than the EU restarting debates on Treaty change."

The Polish Europe Minister says:

"Nobody wants to negotiate a new Treaty."

The Irish Europe Minister says there is "complete aversion" across Europe to more treaty change.

The consequence of British isolation is British weakness. Bleating on about treaty change, we will be ignored when it comes to the serious business. No wonder that in 1999 Sir John Major said:

"We are in the European Union, we are going to stay in it and the belief that you can renegotiate is absurd, mad."

I could not have put it better myself—absurd and mad, from the last Conservative Prime Minister.

Any hard-headed assessment of the UK's interests leads only to one conclusion: the UK's interests are best served if we are at the heart of the EU, shaping its policies and deciding its direction, not on the fringes, consigned to irrelevance. As we enter the last Session of this Parliament, Britain is stronger in Europe and stronger in the wider world. Our ideas lead debate, our troops and diplomats are on the front line and our development strategies are world leaders. It is a record to be proud of and one we are determined to build on.

3.44 pm

Mr. William Hague (Richmond, Yorks) (Con): The sentences on foreign and defence policy in the Gracious Speech were relatively without controversy and expressed sentiments that unite the House: the seeking of effective international co-operation, the combating of climate change, the objective of working for security, stability and prosperity in Afghanistan, Pakistan and the middle east, and the essential work towards preventing nuclear proliferation are important British national objectives, and everyone should be clear that they will remain so if there is a change of Government in Britain in the coming months.

I suspect that it will also be easy to agree that the most immediate and worrying of all our foreign policy challenges—indeed, the Foreign Secretary spoke of it as the issue that takes up more of his time than anything else—is the situation in Afghanistan and the related position in Pakistan, partly because sustained progress in Afghanistan has proved so elusive in recent years, partly because it involves such a major and intensive deployment of the British armed forces and partly because those armed forces are making very serious sacrifices, now totalling, as the Foreign Secretary reminded us, 98 British lives lost in action so far this year.

Once again, therefore, it is appropriate to begin by saluting the extraordinary efforts of our armed forces—something that is particularly in our minds after recent casualties and after Remembrance day, and something that unites the whole nation, even people who cannot imagine what circumstances are like in Afghanistan. But Ministers will agree that those of us who have been to see the work of our troops on the ground find only that our admiration for the work they do is intensified by seeing it in practice.

There is also a good deal of unity about what we are doing in Afghanistan, although that has not always been clearly and effectively expressed. Simply stated, our objective must be to help Afghans reach the point where they can look after their own security without presenting a danger to the rest of the world. That means doing our utmost not to let Afghanistan fall back into even greater chaos, and it means that, in spite of the immense difficulties involved, the consequences of failure are so serious for the spread of international terrorism, for democracy in Pakistan and for the operations of NATO that it is much better for the world to succeed in that endeavour than to abandon it.

In our view, there are at least four crucial elements for a revised strategy to succeed because, as my right hon. Friend the Leader of the Opposition said at the beginning of the debate on the address, immediate withdrawal cannot be in our interests, but the status quo is unacceptable as well. The first requirement is the use of true counter-insurgency techniques, about which so much has been learnt in Iraq and in operations in Afghanistan, thus protecting and winning over the local population. The second requirement is the accelerated training of Afghan security forces, about which the Foreign Secretary has

spoken. The third requirement is the effective political strategy, which so many people have long called for. The fourth requirement, in our view, is the appointment and acceptance by the Afghan Government of a strong and effective international figure to co-ordinate the economic and development effort and to help to drive that political strategy. We hope that all those elements will be present in the statement now awaited from President Obama.

Several questions arise for the Government, and perhaps the Secretary of State for Defence can address them when he responds to the debate. First, are the British Government closely influencing the thinking of the US Administration, so that we can be confident that President Obama's forthcoming announcement is one that the British Government wholly endorse?

Secondly, if the US announcement includes sending large numbers of additional forces, do Ministers envisage extending the number of British forces deployed beyond the 9,500 recently announced? Can they say more about the increase of 500 troops recently announced and about when they expect the conditions set for going ahead with that increase, which includes a greater contribution from other allies, to be met?

Over the past few weeks, there has been a proliferation of speeches from the Foreign Secretary and the Prime Minister, proposing initiatives for achieving the aims in Afghanistan and presenting a strategy. Although that intensified effort to communicate with the public about Afghanistan is welcome, I hope that the Defence Secretary will clear up one or two important issues that those speeches have raised and questions that they have posed.

On 6 November, the Prime Minister said that military action in Afghanistan is

"our first line of defence"

and that

"the mission must not fail".

That issue was raised by my hon. Friend the Member for Billericay (Mr. Baron), who has since left the Chamber. At the same time, the Prime Minister set five tests for Karzai's new Government—on security, governance, reconciliation, economic development and engagement with neighbours. Those tests appeared to be in conflict. The Foreign Secretary sought to explain in his speech that the Prime Minister was referring to tests for development assistance and that they did not relate to our military presence in Afghanistan, but that is not how the Prime Minister's speech read on 6 November, and it was not how it was understood at the time, so I hope that the Defence Secretary will confirm the Foreign Secretary's clarification.

Ten days later, the Prime Minister gave another speech on Afghanistan and spoke of starting to hand provinces over to the Afghans in 2010 "if at all possible", and raised the prospect of a timetable for such handovers. Do Ministers agree that it is not possible to have a timetable in a province such as Helmand, which would set a timetable for the Taliban to work to, as well as everyone else? Will they be careful not to exaggerate the significance of such timetables, despite the pressures of a general election campaign here in Britain?

Thirdly, the Prime Minister used the same speech to re-announce the idea of hosting a conference in London to set out a plan for handing Afghanistan back to the Afghans. He first announced the proposal in September, saying that the conference should be held

"before the end of this year right after the inauguration of the new Afghan government."

But that is now. Clearly the conference is not taking place now, and some NATO Foreign Ministers have told me that they are not at all sure it can or should be held early in the new year, as the Prime Minister has now suggested, because it would not be adequately prepared. Can Ministers say when they really expect the conference to take place? Would it not be wiser for the Prime Minister to have a sound basis for such announcements, rather than making repeated announcements—indeed, the same announcement—only for the promised action not to take place?

Finally on Afghanistan, I hope that Ministers will comment on the latest reports of serious inefficiencies in the provision of appropriate equipment. If it is true, as reported in the press today, that £149 million has been spent upgrading 900 armoured vehicles, which are not then suitable for use, I know that my hon. Friends in the shadow defence team will have some very searching questions to ask, and they will not be satisfied with answers that are less than frank.

Of course, any strategy for Afghanistan will work only if there is a sufficient effort in Pakistan to deal with those who seek to undermine democracy in that country. The Foreign Secretary rightly spoke of the need to address al-Qaeda in Pakistan as well as the Taliban. Just like in Afghanistan, military involvement is only one of the tools needed to ensure long-term stability. In Britain we will need to continue, in the years ahead, to assist the Government of Pakistan with education, health care and employment, particularly in areas that have been affected by the recent campaigns against insurgents.

Jeremy Corbyn: I have listened very carefully to the right hon. Gentleman. Does he envisage a point any time soon when British troops will withdraw from Afghanistan? Would he, on that same basis of dealing with what he perceives to be insurgency, therefore deploy British troops into Pakistan or other countries? It seems to me that there is a counsel of constant intervention rather than withdrawal.

Mr. Hague: No, I am not suggesting deploying British troops into Pakistan. The Foreign Secretary spoke about the efforts of the Pakistan army to deal with the situation in Pakistan, and that is something that we should support. As for setting a date or announcing that British troops will leave Afghanistan, I do not believe it would be helpful to the troops now working so hard there to set a date for their withdrawal because it would be extremely damaging to their efforts for people to think we were going to withdraw on a certain date, irrespective of the consequences. Ministers have spoken, as have Conservative Members, about the fact that we are not there for ever, and the huge efforts—which must be intensified—to make sure that Afghans can look after their own security, but setting a date now would be a mistake.

Mr. Frank Field: I am sure that the whole House hopes the shadow Foreign Secretary will get answers from the Defence Secretary in the reply to this debate, but even if he gets replies to the questions he has asked, we will not get the view of the House. If the Government refuse to give us a debate on a motion that we can

[Mr. Frank Field]

amend, will the right hon. Gentleman take back to the shadow Cabinet the proposal that the Opposition use one of their days to have a debate on a motion that we can amend, so that we can get the view of the House which will then begin to shape the debate in the country?

Mr. Hague: There should be regular statements—we have always asked for quarterly reports—to the House on Afghanistan, setting out the resources involved and the objectives of the British Government. That is part of effective communication by the Government with the country, as well as with Parliament. It is consistent with the position that the right hon. Gentleman has taken, which my colleagues and I have also taken, on the deployment of British troops overseas into conflict, which is that there should be a vote in the House. It would be a tricky matter for an Opposition day to be used for that purpose, but the Government should present a motion when British troops are deployed into conflict overseas, so I entirely sympathise with the right hon. Gentleman's point.

Paul Flynn: Does the right hon. Gentleman see the attraction of naming a date, given that we are looking back on eight years of failed outcomes, in relation to what we claim to be our aims in Afghanistan? Naming a date—some of our allies have named a date—changes the mindset: it takes us from believing in the fantasy of future victories and successes, and allows us to concentrate on the real endgame, which will mean a deal.

Mr. Hague: If the principal countries with a military presence in Afghanistan named a date, it would change the mindset in all sorts of ways—ways that would not be helpful. It would encourage those who are against our forces to believe in their own victory. That would be a great mistake. Even from the point of view of those who, like the hon. Gentleman, honourably and legitimately believe that we should withdraw from Afghanistan, it would be wrong to set a date; it would be the wrong way to go about a withdrawal, even if we believed in withdrawal.

Harry Cohen: What counsel does the shadow Foreign Secretary want the British Government to give to President Obama's Government? Is it that they should send more troops and bring about a big surge? Is the right hon. Gentleman aware that 71 per cent. of the British population is opposed to that? His party's shadow Defence Secretary gave a speech last year in the House in which he spoke out against a surge.

Mr. Hague: I am not sure that my hon. Friend the Member for Woodspring (Dr. Fox), or anyone else, can recall that particular speech. No doubt we can sort out that point. The advice that we would give to President Obama—indeed, we have given it to the US Administration—is the advice that I set out a few moments ago, when I spoke of the four essential aspects of a strategy in Afghanistan. They include an enhanced ability to conduct proper counter-insurgency operations that protect and win over the local population. Clearly, it is the view of the US military—and, I think, the UK military—that that requires a higher number of troops from the United States. I would be surprised if that were not part of President Obama's announcement.

Mr Gisela Stuart: What is the shadow Foreign Secretary's response to the suggestion that, although British troops are deployed to defend geographical areas such as Helmand province, the future is much more about particular functions being performed by British troops in association with an increased number of American troops? That would mean a move from geographical representation to carrying out a functional operation with American troops.

Mr. Hague: Again, it would be surprising if British troops were not working with an increased number of American troops, but it would be wise for us to take the military advice on how those troops should work together. There is a limit to the extent to which we politicians should make ourselves into armchair generals. The way that troops work together in a theatre of war is something on which we have to take the military advice.

Andrew Mackinlay: But in reality we have not tested the military advice. People have been told that when General McChrystal arrived, he said, "Will somebody tell me what we're doing in Helmand?" From a military point of view, we have to be realistic: there are things that we can do, and things that we cannot. It is not just politics that is the art of the possible. Helmand is not winnable in the military sense, and the sooner we realise that, the better. We can then focus special forces on getting the bandits and the people who are undermining things. We should do that, rather than spread our resources, with enormous loss of life and maiming, given that we are talking about something that cannot be won.

Mr. Hague: I do not think that we—or Ministers, actually—have argued that any of the situations in Afghanistan is winnable only in a military sense. That is why political strategy is required, alongside the military strategy. Of course it also depends on what we mean by "winning". In this case, as I have defined it, it means getting the Afghans into a position where they can look after their own security without presenting a danger to anyone else. That is different from "winning" in the second world war, or previous conflicts that ended with the unconditional surrender of the enemy.

I will return in a moment to vital and related issues concerning Iran and the middle east, but I feel it is important, after recent events, to congratulate the Secretary of State on being here as Foreign Secretary at all. He has said that he was flattered to have been so seriously considered for the position of High Representative, but I think it is fair to say that he was not only flattered but tempted for a while, and that his continuation as Foreign Secretary was a decision that was made on balance, and with some agonising, rather than after a few moments.

David Miliband *indicated dissent.*

Mr. Hague: The Foreign Secretary is shaking his head, so the decision was clearly made after a few moments but not communicated in Europe for a long time. In any event, his decision shows laudable tenacity or appropriate faith in the nation state or a conviction that, whatever happens, the Prime Minister will soon be gone. We consider all these motives wholly praiseworthy, so we have no hesitation in welcoming his continued presence.

We add our congratulations to the noble Baroness Ashton on her appointment as High Representative and wish her well in what will not be an easy job. Her appointment was the outcome of a murky process, to put it mildly. In this age of transparency, democracy and freedom of information, Ministers may wish to shed some light on whether it is true that the Prime Minister put forward three names for nomination as High Representative to the European socialist leaders. This has been reported in the press, and it has been said by European Foreign Ministers to us that three names were put forward by the Prime Minister before Baroness Ashton was accepted.

It appears that the names of the right hon. Member for Ashfield (Mr. Hoon) and the noble Lord Mandelson were also put forward, although Ministers have the opportunity to deny that if it was not the case—if Lord Mandelson's name was not put forward. There is an icy stillness on the Government Benches. If it is true that, unlike the Foreign Secretary, the First Secretary of State was happy to be nominated as the High Representative, it is an important piece of information that the second most senior member of the Government was happy to depart the Government at this point. This would be not merely a rat leaving the ship, but the Lord High Admiral himself looking for a raft—although we are reluctant to suggest additional titles in case he is tempted to adopt them.

Although I suspect it is not the case that Lord Mandelson will succeed in displacing the Foreign Secretary, I invite hon. Members on the Labour Benches to agree with me that it would be inappropriate in the 21st century for the British Foreign Secretary not to be a Member of the House of Commons. I can see a few brave hon. Members—

Mr. Denis MacShane (Rotherham) (Lab) *rose*—

Mr. Hague: Oh, here is someone who missed out on being the High Representative—the right hon. Member for Rotherham (Mr. MacShane).

Mr. MacShane: I very much agree with the last point—that the Foreign Secretary should sit in this House.

We always enjoy the Mandelson speech from the shadow Foreign Secretary—I hope there is a lot more of it to come—and we always enjoy the European Union speech from him, because he always confuses it with the Oxford union. Can he tell the House whether he had any contacts at all with the ruling centre-right parties of Europe on those two appointments?

Mr. Hague: Yes, I very much had contacts with the ruling centre-right parties and the ruling socialist parties around Europe. I took the trouble to contact all of them and it turned out that many of them agreed with the view that I put to them that Tony Blair should not be nominated as president of the European Union. It turned out that there was widespread agreement on that, and the right hon. Gentleman was left floundering over there in Europe, finding out what it was like to be marginalised in Europe.

Mr. MacShane *rose*—

Mr. Hague: I think that is enough from the right hon. Gentleman. Marginalised he will remain.

The Foreign Secretary has denied the reports in the French media that there was a deal with the French Government that in return for Lady Ashton's appointment as High Representative, the Government would agree to a French appointment to the internal market portfolio. Indeed, I received a letter from the Foreign Secretary today saying that such portfolios are a matter for the President of the Commission solely. It showed a certain touching innocence to think that there are no informal negotiations among national Governments about what portfolios are held in the Commission.

The Defence Secretary probably will not get into this later, but I hope Ministers will be able to say whether it is expected that a French candidate will be given the internal market portfolio, and whether assurances are being sought from the Commission and the French Government that if that happens, the single market will continue to go forward, and that liberalisation, particularly in services and energy, will continue to go forward. I hope we will be told whether assurances are being sought about the position of financial services and whether financial services will be included in the internal market portfolio. These are important considerations for the British national interest.

We wish Lady Ashton well in her appointment, but it would be a very serious matter if the price of adopting the Government's third choice as High Representative meant that policy on the internal market and on financial services, in particular, was taken in a direction that was not in keeping with the interests of Britain. The Foreign Secretary says that a deal was not done, so we want to know what assurances are being sought on whether the policy will continue to go in the right direction, and what the implications might be for the City of London.

In summary, the Government spent too long promoting Tony Blair as president of the EU when they were not able to win widespread support for him, even among the socialists; they gave insufficient attention to protecting this country's interests by not going for a senior economic portfolio in the Commission; and they have ended up with their third choice as High Representative, after falling out among themselves over who should go for it, and the First Secretary of State being willing to abandon the Government to go for it himself. That is a pretty sorry state of affairs in the Government of this country.

We are in many ways pleased that the Foreign Secretary has stayed in post, because there has been enough ministerial chaos in the Foreign and Commonwealth Office. This is a serious point, because it might be thought that a degree of experience, expertise and continuity in the conduct of foreign policy would be a good thing. However, in the two and a half years that the Foreign Secretary has held his office, he has gone through 14 junior Ministers, none of whom has been with him throughout, and there have been 12 Europe Ministers in 12 years.

Mr. MacShane: Thirteen.

Mr. Hague: Oh, there may be a 13th.

The most recent Europe Minister, Baroness Kinnock, lasted only a few months. Appointing her on 5 June, the Prime Minister said:

> "Glenys…is an excellent Minister for Europe…remember this is about preparing for European Councils, people who will get on with the governments and the rest of the country and persuade them to do things. She's an excellent appointment."

[Mr. Hague]

Yet, three months later, the Prime Minister's spokesman described her low-profile removal as "internal housekeeping", saying that it was a

"sensible move for both Ministers involved as they both had experience in the subjects"

of Europe and Africa. He was asked what specific African experience Baroness Kinnock had, and the report of his answer states:

"He did not have the details in front of him so it was best to speak to the Foreign Office for details."

That is how things have been moved around.

Lord Malloch-Brown, the wise eminence—I do not know how the Foreign Secretary has managed without his wise eminence, actually—resigned in July, not long after he admitted what we all know to be the truth: that there is a shortage of helicopters in Afghanistan. He said that the political future for Labour "looks incredibly bleak," chiming in with another of the GOATs, Lord Digby Jones, because the marvellous things about this Government is that the GOATs not only resign, but wander around the pastures bleating afterwards. Lord Jones described his former colleagues as

"ambitious, confused, frustrated, worried and overworked".

Looking at them today, I must say that that is a pretty accurate description.

Mike Gapes (Ilford, South) (Lab/Co-op) *rose—*

Mr. Hague: I think that the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Select Committee on Foreign Affairs, wants to intervene.

Mike Gapes: The shadow Foreign Secretary has remarked on the two posts of President of the Council of Ministers and High Representative, but, given his party's evolution and movement away from the mainstream of Europe, will he tell us when he thinks that a British Conservative will ever be in a position to take up such a post?

Mr. Hague: It may very well happen, but the matter will not come up for a few years now, so it is not exactly an immediate issue. On that subject, however, as I said in my answer to the right hon. Member for Rotherham, we have had no difficulty communicating and often agreeing with the mainstream in Europe.

Mr. MacShane: Who?

Mr. Hague: I am not going to spell out who to the right hon. Gentleman, because I should like him now to keep for ever in his mind the paranoia about who has been plotting against him.

The High Representative will, however, have some serious work to do, and the Foreign Secretary mentioned some of the foreign policy areas on which Europe needs to work together. One is very much Bosnia, and he knows that I have mentioned the political crisis in Bosnia on many occasions in the past three years. I welcome his personal attention to the very concerning situation in that country; I very much welcome the extension of EUFOR's mandate and its United Nations charter chapter VII authority, and I hope that the mandates of the international judges and prosecutors working in the state court will also be extended before their mandate expires on 15 December.

The recent communiqué on Bosnia sought to highlight the positive wherever possible, but the fact remains that the country is on a downward trend; that its future is under direct challenge from some political leaders, who deliberately block the work of joint state and entity institutions; and that the future of the Office of the High Representative and the international presence has become a pawn in the hands of some local politicians. However, I put it to the Foreign Secretary that offering the bait of eventual EU membership might not be enough to resolve the immediate crisis. Given that, for example, the Prime Minister of the entity of Republic Srpska openly and repeatedly asserts the autonomy of that entity as a more important goal than joining the EU, does the Foreign Secretary believe that the distant prospect of EU membership is enough to make the political leaders in the country approach talks in a more constructive manner? I hope that he agrees that if no progress is made, the time will soon come for the EU to reinforce its message to Bosnian leaders, with the threat of sanctions against individuals who are deliberately blocking reforms.

I also welcome Serbia's continued commitment to joining the EU; we understand that Belgrade plans to apply for EU membership before the end of the year. However, a major block remains to Serbia's EU aspirations: the arrest and actual transfer of the two remaining alleged war criminals to The Hague. Will Ministers clarify what the Government's assessment is today of Serbia's co-operation with the International Criminal Tribunal for the Former Yugoslavia? Can they assure the House that Her Majesty's Government's policy remains that ratification of Serbia's stabilisation and association agreement with the EU is contingent on full co-operation with the International Court of Justice, and that that continues to mean the arrest and transfer of those two remaining indictees?

Andrew Mackinlay: Would it not be fairer to Serbia if we made it clear now that one other condition, which the right hon. Gentleman has not mentioned, was that it would not have a veto over the applications of other states from the former Yugoslavia to the EU? If Serbia is admitted and Kosovo remains outside, Kosovo will not be able to come in for ever and a day. We need to be clear from the outset that Serbia's right of veto on further admissions will not apply to other states of the former Yugoslavia.

Mr. Hague: That would certainly need to be formally or tacitly agreed in some way. We all want all the countries of the western Balkans to be able to join the European Union.

As the Foreign Secretary mentioned, another vital issue on which European nations need to work together is that of Iran. I add the Opposition's condemnation of how the locally engaged employees of our Tehran embassy have been treated and express our concern for the fate of Mr. Hossein Rassam. We welcome the solidarity that other European countries have shown on the issue and hope that robust co-ordinated action from EU member states will follow if Iran continues with its harassment of our embassy staff. The dispute with Iran over its nuclear programme is serious, but we must not forget the human rights of Iranians, many of whom are suffering appallingly from the oppression of the Iranian state.

It is right that every attempt should be made to coax Iran into a meaningful diplomatic process. As the Foreign Secretary will recall, I have argued for some months that American outreach to Iran had to be backed by EU countries demonstrating to Iranians that if they reject negotiations, European nations will agree on a detailed set of sanctions. That scenario is looking increasingly likely, and we hope that those preparations will now be taken forward in earnest. Given the past difficulty in persuading all EU nations to adopt sanctions as tough as those that the British Government and Opposition have sought, we should be trying to win the argument for such sanctions now, to ensure that no time is lost if their implementation is required.

I want to remind the Foreign Secretary that although we understand the immense difficulty in securing agreement to sanctions, the Prime Minister has twice—in November 2007 and again in June 2008—announced sanctions on Iranian oil and gas that have never materialised. The announcement of such pledges and then the failure to deliver on them does not exactly strengthen the hand of the international community. In our view, we are approaching the time when much more serious measures need to be taken by the EU and other nations across the world; otherwise, we will face the calamity of Iran's acquiring a nuclear weapon or the other possibly calamitous event of others taking matters into their own hands and launching a military attack on Iran.

The Foreign Secretary spoke of the middle east peace process. Like him, we fully support the Obama Administration's efforts to restart negotiations on a two-state solution to the Israeli-Palestinian conflict. Like the Foreign Secretary, we regret that a way forward has not been found and we are also deeply concerned by the announcement last week that 900 new housing units will be built in East Jerusalem. We are also distressed and concerned about the humanitarian situation in Gaza, especially as it seems that the UK has not yet been able to spend any of the funding earmarked for reconstruction there. This is another foreign policy issue on which the Prime Minister has made headlines in the past and then not followed through. He made several commitments in the wake of the Gaza conflict, saying in January:

> "Britain is prepared to give naval resources so that we can monitor and stop arms traffic and arms getting into Gaza."

However, astonishingly, he made that commitment to stopping arms smuggling without establishing first whether the UK had the capacity to do it, a point that my hon. Friend the shadow Defence Secretary made at the time. All that the Government have to show for that announcement are meetings between officials from various countries to discuss the issues, after which the Government conceded that the tools that the international community has at its disposal are limited and the challenges of interdiction are high. I suggest to Ministers that it undermines the credibility of the UK to pledge assistance but not see it through. This is a consistent pattern in foreign policy statements made by the Prime Minister.

Mr. Marshall-Andrews: May I put to the right hon. Gentleman the same question that I put to the Foreign Secretary about the Goldstone report? That report identifies a large number of flagrant breaches of the Geneva convention—the fourth convention and its first protocol. In this country, as a result of the Geneva convention Acts, we have a duty to pursue and prosecute those breaches. In those circumstances, will the right hon. Gentleman undertake—if he is ever in the position to do so—to talk to the Director of Public Prosecutions with a view to issuing the necessary warrants? The Foreign Secretary said to me that he thought that it was a domestic matter for Israel. Before the right hon. Gentleman is tempted to give the same answer, will he address himself to what he would do if Israel did not carry out any independent review of Goldstone?

Mr. Hague: The Foreign Secretary's answer was not quite that it is just a domestic matter, because it is of course a matter of international concern. My answer is similar to his: we want the allegations made in the Goldstone report to be properly investigated by all the parties concerned. That is the Government's position, and it is the position of the Opposition. I do not want to speculate about what should happen if that never happens. That is the appropriate way forward. The hon. and learned Gentleman now has the smile on his face of a person who has got the same answer from the Opposition as he did from the Government, but that is our position.

I also want to say a brief word about the situation in the horn of Africa, although I must finish soon to let other hon. Members speak. The situation in North Yemen, never mind the situation in Somalia—and the plight of Paul and Rachel Chandler—is also deeply troubling. There, our priority must be to try to ensure that the conflict does not spill over into surrounding areas. Our direct power in that area is limited, but we cannot risk either Yemen or Somalia turning into the next Afghanistan. What influence the UK has in those two countries must be brought to bear now.

The Foreign Secretary mentioned Zimbabwe, and I hope that the Government will urge Southern African Development Community states to put pressure on Mugabe to let him know that he will not be allowed to flout the power-sharing arrangement with impunity.

Sir Nicholas Winterton (Macclesfield) (Con): The fact is that Mugabe has totally dismissed a decision by the SADC tribunal. How much longer will we allow Mr. Mugabe to get away with atrocities against his own people?

Mr. Hague: My hon. Friend speaks with the sense of outrage felt in this country and in many others about what has been happening in Zimbabwe, but it is not as simple as what we allow. Many things have happened in the past that we would not have allowed if we had the power to prevent them, but we have to work through other countries, especially the other southern African countries, to achieve anything in Zimbabwe. It is right that EU sanctions remain in place while Mugabe is in power and abuses are committed on such a large scale. However, the pressure that we exert must be through SADC members. I again call on the Government to ensure that co-ordinated work is done with our international partners to prepare for the day after Mugabe, with a comprehensive package of development and political assistance, which Zimbabwe will need at the time.

On Sudan, in our view the international community must step up its diplomacy in response to the dual crisis, in the south and continuing in Darfur.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Will my right hon. Friend give way?

Mr. Hague: I am sorry, but I must now conclude my remarks.

We hope that there is a successful Commonwealth Heads of Government meeting. The Commonwealth has a role to play in conflicts and disputes around the world, but in our view the Government have neglected it over the past 12 years. We hope that they will put that right at the conference.

We are behind the efforts to secure agreement at the Copenhagen summit on climate change and look for a binding commitment to keeping the rise in global temperatures to below 2° C and to taking action on deforestation.

I join the Foreign Secretary in welcoming the Sri Lankan Government's announcement. We have all strongly urged the Sri Lankan Government to honour their commitment and return all people to their homes by the end of the year. We want to see a process of healing and reconciliation, which is so desperately required in that country.

There are immense challenges in foreign policy, which we could all speak about at even greater length than the Foreign Secretary and I have. Where Ministers continue to do the right thing, we will continue to support them. However, there are many searching questions, such as those that I have raised on Afghanistan, that they must be prepared to answer. I hope that we will have those answers at the end of this debate.

4.21 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): When we debate foreign and defence policy today, the thoughts and feelings of us all will be with our armed forces and their families. Our responsibility in this House to debate and decide on the right policies, whether on the Afghanistan conflict or elsewhere, is a daunting one. Whether it is the fears of families with loved ones now on the front line or the tears of families with loved ones lost or seriously injured, the human cost and sacrifice made by those who send us here must never be forgotten in our deliberations. I join others who have paid tribute to the bravery and courage of our troops and their relatives, and it is therefore right today that we should focus on Afghanistan.

In an interview that he gave to *The Guardian* at the weekend, the Foreign Secretary seemed to be worried that the Opposition parties were about to break the eight-year cross-party consensus in support of the war. Although he has now had to leave his place, may I put it on the record for him that the speeches and interviews that he and the Prime Minister have given in recent days and weeks, in which they have talked about forthcoming changes in strategy on Afghanistan, have gone some way to reassuring us? It is true that over the past year, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) and I have become increasingly concerned at how the war is being prosecuted. The lack of progress in both the military and civilian fields causes us, like many in the House and outside, to question the international security assistance force's strategy and, therefore, Government policy.

In this debate last year, I argued that it was inconceivable to follow a strategy based on NATO troops remaining in Afghanistan for 30 years, as some had been arguing. Neither the British public nor the Afghans could support that. There therefore needed to be a change in strategy. Last year, alone in the House—alone from the Front Benches, at least—I advocated talking to parts of the Taliban and adopting a regional approach, involving countries such as Pakistan, India, Iran, China and Russia. I emphasised the urgent need for a new political and diplomatic strategy alongside the military approach.

When I read the Foreign Secretary's speech to the NATO Parliamentary Assembly last Tuesday, when he spelt out, in much greater detail than I believe he had before, a political strategy to divide the insurgency and reintegrate the reconcilable back into the Afghan mainstream, I was therefore greatly encouraged. Although I have some lingering doubts, which I shall touch on shortly, his advocacy of a national reintegration organisation and an Afghan resettlement fund seems to be along the right lines. There must now be some serious resources and structures invested in winning over tens of thousands of Afghan insurgents.

Equally, it was welcome to see in the Foreign Secretary's NATO speech more analysis of the importance of involving Afghanistan's neighbours, even though he confined his detailed remarks, perhaps understandably, to Pakistan. Let me therefore tell Ministers that if the ISAF strategy is about to change in ways that we have argued for and that the Foreign Secretary and the Prime Minister have been alluding to, we will continue to support the mission in Afghanistan.

Adam Price: If the hon. Gentleman is right, and a new strategy is being developed by the Government, does he not agree that that strategy should be put to a vote in this House?

Mr. Davey: Yes, I do.

So that there can be no doubt or confusion, let me spell out in more detail the change in strategy that we hope President Obama will announce shortly—probably on Thursday. On the continuing and essential military approach, we have found the McChrystal review compelling. A counter-insurgency strategy that aims to give proper protection to Afghan citizens seems right, especially if that means a greater focus on the larger population centres. From the British perspective on troop numbers, I rather agree with the Prime Minister's approach—that we would be willing to provide a modest number of extra forces, albeit with conditions. His conditions also seem right, but I would add the proviso that there must also be the political surge for which many of us have been pressing for months.

Jeremy Corbyn: Does the hon. Gentleman not understand that the grave risk attached to the McChrystal strategy of expanding troop numbers in order to set up a counter-insurgency programme is that it will be insufficient and require more troops, and that there would then be an attempt to occupy the whole country? The situation would spin out of control, just as the whole Vietnam counter-insurgency strategy did. Is it not better to look for a different strategy that involves withdrawal?

Mr. Davey: There is a risk involved with anything that we do in Afghanistan; there is no risk-free option. The cost of withdrawal or of mission failure is absolutely huge. If the McChrystal proposal for more troops involved only a military surge, we would not be supporting it.

I want to go into more detail about the political strategic changes that we think are essential. Our key test for the new strategy is the shape of the politics around it. Clearly, we need the political change at national level in Kabul for which the Americans and our Government have been pressing, and President Karzai might now be making the right noises. However, if corruption is not tackled in practice, and if Karzai is not prepared to give away more power or to revert to more traditional power structures at provincial, tribal and village levels, I hope that the price he might have to pay has been clearly spelled out to him. We cannot expect our troops to put their lives on the line if President Karzai does not act. One would have thought he would realise that, like former Afghan leaders, he will face risks if the mission does not succeed.

Then we come to the international politics involved. Changes in the international dimension of the political strategy have at last begun to be made, but there is a huge amount still to do. The willingness of the Pakistan military to take on the Pakistan Taliban has been impressive, but there are still concerns that the Pakistani security forces distinguish all too readily between what they consider to be "good" Taliban and "bad" Taliban, with, outrageously, the "good" Taliban being those who are organising the Afghan insurgency. That cannot be allowed to continue.

We have to understand why the security forces think that. It stems from the traditional belief/paranoia within the Pakistani Inter-Services Intelligence—the ISI—that India intends to attack Pakistan. According to the ISI, India is seeking a friendly Government in Kabul to make such an attack possible from two fronts. In ISI minds, therefore, a Taliban Government—or, indeed, civil war—in Afghanistan is somehow preferable to a stable regime for Pakistan's security. A Taliban regime might make overtures to India and make a joint pact—for example, on linked action on historic disputes over Kashmir and the Durand line. If the ISI were to change that view, the prospect of cutting off the Afghan Taliban leadership and direction, which currently sit comfortably in parts of Pakistan, would be greatly enhanced.

Mr. MacShane: I support much of the hon. Gentleman's analysis, but is he aware that the four last general manoeuvres that the Indian army have undertaken were all based on the assumption that it was going to invade and occupy Pakistan? Is he also aware that 80 per cent. of all Pakistani troops are, sadly, on the country's eastern frontier with Kashmir, facing 500,000 Indian troops? I think we would all prefer more of those troops to be on the western front, dealing with Pakistan and its problematic provinces. India therefore has to be part of the solution, and finding some way of de-escalating the Kashmir dispute really ought to be the object of the foreign policy of this country and the other NATO powers.

Mr. Davey: I could not agree more with the right hon. Gentleman, who is absolutely right. That is why we need this regional peace settlement to be at the forefront of debates on how to solve the Afghanistan conflict. Let us be absolutely clear, however, that it is not going to be easy. If one looks at the possibility of making real progress on India and Pakistan relations in the near future, I just do not see it. Indeed, when Obama talked about trying to resolve the India-Pakistan conflict in October 2008 and when President Clinton was appointed as mediator, even supportive commentators suggested that it was his first foreign policy mistake. Even people who share our analysis understand the problems.

Paul Rowen: The Foreign Secretary, answering my earlier question, rightly stated that the terrorist bombings in the Punjab were the result of terrorists linked to Kashmir. Does my hon. Friend therefore agree that it is imperative for the security and safety of people in Pakistan that we get that process moving? If that does not happen, it will destabilise Pakistan—a country with which we have very strong links.

Mr. Davey: My hon. Friend is absolutely right, and the question is how we achieve that. If we have a full-frontal diplomatic assault, along the lines President Obama heard about, I do not think it will succeed. We need to look for behind-the-scenes reassurances, confidence-building measures and that sort of approach in order gradually to begin to change the dynamics. The Foreign Secretary does not have a brilliant track record with the Indian media, so I will not ask him or his colleagues in answering the debate to reveal whether any particular diplomacy is under way, but the House needs to know that the Foreign and Commonwealth Office is making this matter a priority. We need to know that real work is going on on this issue, and that the FCO is not just sitting back because it is all too difficult. Our troops are on the front line, so this is absolutely central.

Beyond Pakistan, part of the challenge of finding a regional peace solution is the deep history of distrust in the region—whether one speaks of Iran, Saudi Arabia, central Asian concerns or Russian fears—because if we are to bring the fighting to an end and achieve a sustainable peace, the regional political element needs to be developed and our Foreign Office needs to be engaged in that.

For the Liberal Democrats, the most critical test of any new political strategy is how it addresses the local dimension and the insurgents on the ground. There are three elements to this, the first of which is the self-evident need to promote the social and economic well-being of ordinary Afghans, who have to see that a non-Taliban future is possible and prosperous. Reconstruction and development is not contentious in itself; the concern throughout the House has been the apparent inability to deliver, which remains a concern.

The second element is local governance. Most of Afghanistan's 153 municipalities lack basic justice systems, let alone other services. Of Afghanistan's 4,000-odd villages, there is no governmental system beyond the tribal leaders. Yet the current Afghan system of government still directs almost all resources via Kabul, and nothing direct to the provincial or local level. Our country, with its strong centralising tendencies, is probably not in a good place to advise on this, but we really need to change that government structure in Afghanistan.

The third element of this local political piece is the critical need to talk to the Taliban. I was roundly condemned earlier this year for arguing that it was "time to take tea" with the Taliban, yet I am of the firm belief that this remains the right thing to do. To avoid misunderstanding, let me explain precisely what I mean—

[Mr. Davey]

not least because I think I may differ a little in detail from the Government on the issue of what "talking to the Taliban" means.

I think it is shared territory that the Taliban are not some homogenous political grouping. As many others have said, they consist of the jihadists and the moderates—of those who take orders from either Mullah Omar or Haqqani, or those who obey their local tribal commanders; of the foreign Taliban and the Afghan Taliban; of the $10 a day Taliban and the Pashtun nationalists—so talking to the Taliban can mean many things in practice. There are some who suggest talking to the Taliban leadership, by which they tend to mean Mullah Omar. I have nothing in principle against that, yet unless we think they think they are losing, I do not think this will work. As many have said, they will believe that they have time on their side. I have been more impressed by those experts who have argued for talking to the local Taliban—the local insurgents.

Like others, no doubt, I have been influenced by an article called "Flipping the Taliban" in this summer's *Foreign Affairs*, by regional and Taliban experts Fotini Christia and Michael Semple, who made the argument for grass-roots, village-by-village, tea-drinking diplomacy. I have since been confirmed in that view by a separate but equally excellent article written by the hon. Member for Gravesham (Mr. Holloway). I apologise to him if my endorsement in any way blights his promising career. In a passage sub-headed "Drinking tea can greatly reduce violence", he writes as follows:

> "One remarkable individual told me that a decent political officer, with the right support, a generous budget and plenty of time to drink tea with commanders and tribal elders, could reduce the violence in Helmand by up to 70 per cent. This is no vainglorious speculation: that sort of approach has worked before, when the British Empire had dedicated Political Officers in the region. It can work again—if there is the political will."

Let us be absolutely clear: both articles are deeply realistic, and both understand the risks and the dangers all too well. Neither is putting forward tea drinking as a simplistic, glib, easy-to-do solution that would allow the military to pack up and go home. Both recognise that the best way to defeat the ideological Taliban is to win defectors from their own fighters, and that the best way to "Afghanise" the Afghan forces is to reintegrate former insurgents into the cause of law and order. Both appreciate that it is by understanding the issues of individual Taliban commanders that bribes, assurances and legitimate authority can best be bestowed in the cause of peace.

Patrick Mercer (Newark) (Con): Surely an extremely eminent British former lieutenant-general has just been appointed to do precisely that job. Is the hon. Gentleman not aware of that?

Mr. Davey: I am aware of it, and I will come to Lieutenant-General Sir Graeme Lamb in a second.

Given my welcome of the Queen's Speech proposal for a Bill to strengthen the law against bribery, I should explain my mention of the word "bribes". In the context of peacekeeping, and perhaps in that context alone, bribes are acceptable. The Americans used exactly that approach to persuade 100,000 Sunni militia to switch sides in Iraq, paying them each $300 a month, at a total cost of $30 million a month—a minor cost, given the costs of war, especially as it produced a massive reduction in the violence almost overnight. In their article, Christia and Semple calculate that $30 million a month would get us 250,000 Afghan insurgents for about $120 a month each—the current salary of a soldier in the Afghan national army. That would make a real impact. I am sure that Ministers cannot be as frank with the House about such counter-insurgency tactics as Opposition Members can be.

As the hon. Member for Newark (Patrick Mercer) has reminded us, Generals Petraeus and McChrystal appointed this August the British Lieutenant-General Sir Graeme Lamb to mastermind a programme of reconciliation. That approach can be common ground among all those who have been critical of previous strategies.

Paul Flynn: Given the honourable record of the hon. Gentleman's party on Afghanistan, is he embarrassed that his leader yesterday took up another piece of empty, fear-mongering propaganda as a defence of being there—the threat of nuclear war?

Mr. Davey: I am afraid that I am completely at one with my right hon. Friend the Member for Sheffield, Hallam on that matter. There must be a danger of nuclear weapons falling into the hands of Taliban or other jihadists if we pull out. Many people have recognised that threat. I do not want to overplay it, but we cannot dismiss it out of hand. Given that the price would be so high, even a small risk must be considered properly.

Dr. Kim Howells (Pontypridd) (Lab): Will the hon. Gentleman take it from me that after a particularly fierce battle to the west of Kandahar in the red desert, one officer—on our side, as it happens—told me that one Afghan detachment had changed sides three times in 24 hours? I do not know how many bribes were offered to that detachment, but is he saying that good British generals should be bribing Afghans not to fight each other for the next 30 years?

Mr. Davey: As the right hon. Gentleman says, this is not an easy strategy—we have never claimed that it is. However, we know that it has worked in Iraq in the recent past and that members of the American and British forces are seeking to do the same, and we know from what has been said by Taliban experts that there is a history of conflicts being won and solved in Afghanistan in this way. When the Taliban won in 1998, they did so not because they had a huge army but because they persuaded lots of other people to join them. We must learn from the way in which they won, so that we can be the victors in the present important conflict.

The only surprising aspect of this apparently new approach to counter-insurgency—which we hope President Obama will confirm soon—is that it has not been tried more robustly before in Afghanistan. It seems that the Americans, at least during the Bush and Rumsfeld era, were reluctant to do so. Indeed, they did exactly the reverse. When Taliban commanders came over wanting to defect, they did not reintegrate them, but sent them off to Guantanamo Bay. That is hardly a recipe for encouraging splits in the rest of the Taliban. Even now, it seems that efforts to win defectors from the Taliban have been unstructured, under-resourced, and permitted only at individual level.

If the approach to reconciliation and defectors is really to change, and if that change is to be coupled with the other strategy changes that I mentioned earlier, the Liberal Democrats see some prospect of success in Afghanistan. If Obama's new strategy is one we can support, we will play our part in trying to explain to the public why the conflict in Afghanistan is so important. Part of that must involve ensuring that the new strategy is properly implemented and robustly assessed. We will be looking for the metrics indicating the progress and success of the new strategy to which others have referred. While not yet pressing for definitive timetables for withdrawal—for, as the right hon. Member for Richmond, Yorks (Mr. Hague) has said, there are dangers in that—the House should be seeking to identify the steps on the path to main force withdrawal, perhaps in the lifetime of the next Parliament.

One of the main reasons why our party supported the mission in Afghanistan but opposed the attack on Iraq is our commitment to multilateralism and international law, and that is why we welcome the support in the Queen's Speech for the Government's efforts on nuclear non-proliferation. The all-important non-proliferation treaty review conference will take place next year, and I have been impressed by the FCO's efforts to prepare for it.

Not all the keys to the success of the conference lie in the Government's hands. Two critical questions will be whether the United States and Russia can ratify the successor to the strategic arms reduction treaty—which will include substantial reductions in missiles—and, of course, whether the United States Senate is of a mind to pass the treaty for a comprehensive nuclear test ban. Given the multiple pressures on Obama, I am not sure whether he will be able to pull that off, but he has shown a lead that I only wish others, including Britain, could emulate. In his willingness to drop President Bush's idea of a ballistic missile defence system based in Poland and the Czech Republic, he has not only helped the thawing of relations with Russia but shown an ability to reassess accepted wisdom on nuclear strategy.

We believe that it is time for the Government to reassess their approach to the replacement of Trident, and to do so ahead of the NPT review conference. The stakes are high, and not just in regard to reform of the NPT or the next stages of multilateral nuclear disarmament. The signal that such moves and progress would send to Iran and North Korea, among others, would be extremely strong—perhaps not strong enough to resolve the specific nuclear confrontations, but perhaps strong enough to address the current impasse in both cases.

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I agree with much of what the hon. Gentleman has said about the NPT, but will he clarify one point? Is it Liberal Democrat policy not to replace Trident?

Mr. Davey: We have said that we would not replace Trident with a like-for-like submarine system. As the Minister will know if he has followed some of my colleagues' speeches on the issue, we have advocated other approaches that we wish the Government to examine.

Mr. Lewis: The hon. Gentleman said that the Liberal Democrats were conducting a review.

Mr. Davey: The Liberal Democrats are indeed conducting a review, and that is what we are urging the Government to do. We believe that they should move away from their commitment to replacing Trident with a like-for-like system.

Mr. Hague: I understand that the introduction of a new nuclear weapons system would itself constitute a breach of the non-proliferation treaty.

Mr. Davey: Many others have interpreted the position slightly differently, and we have been talking to those people. My right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) who is one of Parliament's pre-eminent experts in the field, is examining precisely such issues.

On Iran, no one can doubt that the situation remains alarming, and I agree in part with the right hon. Member for Richmond, Yorks. I also agree with others about the need to condemn the way Iran has treated our consular employees. The shocking recent International Atomic Energy Agency report says much about how Iran has been deceiving the world, yet the current question for policy makers on Iran is whether the diplomatic engagement and negotiations have reached the end of the road and it is now time for sanctions or whether there is room still for at least one more go at negotiations. Even if one could be sure that Russia would support tougher United Nations sanctions—and I am not—the recent discussions on a deal over uranium for the Tehran research reactor seemed to me still to have real life in them. As the Foreign Secretary alluded to earlier, it is true that the Iranians are insisting that any uranium swap occurs in Iran, not outside Iran, but would the Six really want to be responsible for walking away from the diplomatic route because they were unwilling to compromise on the detail of a deal? I hope not. The right hon. Member for Richmond, Yorks may be right that we need to prepare some of the background for sanctions, but I would keep the tool of sanctions in the box at least for a little while longer, because if a deal is struck on the uranium swap, the chances of getting Iran to discuss the military dimension and the outstanding issues increases. Indeed, those chances could be improved if they were combined with a focus on other issues of common concern, especially, of course, Afghanistan.

While the nuclear issue as it relates to North Korea gets less attention in this House—it has not been spoken about today—I urge the Government to do all they can to get the Pyongyang regime back to the Six-power talks. Too often we appear to believe that North Korea is fundamentally a show for the US and China to work on with South Korea, and we underplay the role of the European Union. I want to speak more about the new EU High Representative later, but given Baroness Ashton's success in trade talks with South Korea, perhaps she has the contacts and understanding to help make a breakthrough if the Council were to empower her to explore the options. This needs to be more of a priority for the Foreign and Commonwealth Office.

Obviously, the nuclear issue is only one of many where a multilateral, multi-polar approach to foreign policy is essential. However, as other colleagues will no doubt speak at length on issues such as the climate change conference, the need for the G20 to collaborate on the economy, or the millennium development goals, I will not touch on them now, but I want to reflect briefly on some of the continuing challenges for multilateralism, beginning with the role of China.

[Mr. Davey]

There is much to welcome about the role of China, and the part it wishes to play in the world. China's economic influence is well known, and the Chinese response to the global recession has been helpful. In some respects, the proposals from the Chinese on climate change reveal real leadership and understanding, but China's approach in all too many countries and its focus on economic issues before and above any consideration of other, wider concerns, such as humanitarian issues or international law, is alarming.

Let me give a few examples. In Sri Lanka, the Chinese sold large amounts of weapons to the Sri Lankan Government and in return have been allowed many commercial opportunities, especially in terms of the development of a massive port in Sri Lanka that is of strategic economic and security importance to the Chinese. Far from not interfering in domestic politics, as the Chinese protest is their position, that policy was calculated and deliberate. While I welcome the Sri Lankan Government's announcement that they are to allow those in the internally displaced person camps to move freely, surely that remains an inadequate response to the humanitarian disaster in some of those camps. Moreover, that announcement was certainly not a result of pressure from the Chinese, but it may well have been a result of pressure from the EU, which proposed not to renew the generalised system of preferences—GSP—plus trade concessions. I hope the Government and the EU are not going to go soft on the GSP plus trade concessions and our concerns about human rights in Sri Lanka just because of this weekend's announcement.

The Chinese are easily the largest foreign investors in Sudan, and probably also the largest market for its oil. At the United Nations, the Chinese have blocked stronger international progress and appear to have done nothing behind the scenes to get the Khartoum Government to stop the actions of the Janjaweed and other Government-backed militias in Darfur.

Elsewhere in Africa, from Zimbabwe to the Democratic Republic of the Congo, we see the Chinese winning knock-down deals, partly because their contracts come with no questions asked. There are apologists who say, "Well, the west has done exactly the same" or "China has brought lots of investment." Well, that may be so, but I do not believe that such investments inevitably require a power such as China to adopt an amoral stance. There are plenty of examples of investment in developing countries being used smartly to lever improvements for their wider population—this is a question of political will. China would win more friends and influence, and would boost the multilateralism it professes, if it wielded its economic muscle in more enlightened ways—I hope that President Obama has been saying as much on his recent trip.

As we approach the end of the first year of President Obama's first term, many commentators are circling to lambast him for the lack of progress, but on the big issues they are utterly wrong. On Afghanistan, they say that he has delayed, but I think that he is right not to rush. On Iran, they say that he has been too willing to focus on diplomacy, but I think that he needs to be encouraged to stick with it. On the middle east, they say that he has made little progress, but I think he has been courageous and right to expose Israel on the critical issue of the settlements. Prime Minister Netanyahu, Likud and their coalition partners are in real danger of totally isolating and undermining the moderate Palestinians and Arabs—people who have been patient and moderate despite all the humiliations. For Israel's sake, I hope that the Israeli Government wake up soon and realise that while settlement expansion continues it is simply unreasonable to expect any Palestinian leader to negotiate.

Of course we know that Israelis still suffer dreadfully under the threat of terrorist attack, especially from the rockets of Hamas and others, and the international community must always remember to condemn such indiscriminate attacks made on civilians populations, but how does alienating Palestinians from their more moderate leaders in Fatah and elsewhere hinder and hurt Hamas? How does the continuing blockade of Gaza win over the Palestinians? Obama must try to get Netanyahu to face up to that political reality. If he does not, I fear that the long-term peace and security Israel rightly craves and deserves will be postponed still further.

I wish to touch briefly on two issues before concluding, the first of which is the European Union and the second of which is Iraq. We are to have a debate on European affairs shortly, so I will keep my remarks on the EU particularly short. However, given the significance of the recent final ratification of the Lisbon treaty and the decisions for the new President of the European Council and the High Representative, I want to welcome the opportunity Europe has to press ahead and act more effectively on the practical European and international problems that affect our constituents, be they on the economy, the environment or organised crime.

With the institutional wrangling over, the EU can be more effective on foreign and security policy than in the past. Of course that will not happen overnight—it was never going to—but with the sensible appointments of Herman Van Rompuy and Baroness Cathy Ashton, real progress will be made. The Foreign Secretary had argued that we needed a President of the European Council who would stop the traffic in Beijing. That was not only wrong, but it was the reverse of how he and his colleagues sold the provisions for this post in this House and in the public debate. The then Minister for Europe, the right hon. Member for East Renfrewshire (Mr. Murphy), and I both argued that these posts were rightly constrained by the requirements for unanimity on foreign and security policy, and were about greater efficiency and effectiveness. The Conservatives and others sought to ignore that reality; they scaremongered about European Presidents and Foreign Ministers as if the new posts came with great decision-making powers, whereas, in reality, they are the servants of the nation states. It would serve the argument against Euroscepticism better if the Foreign Secretary's line on Europe was more consistent and if he left the confusion on Europe to the Conservatives. Pro-Europeans need to take the European debate to the Conservatives on foreign policy, be that on EU-Russia relations, the middle east or elsewhere.

The Foreign Secretary opened this debate with an upbeat assessment of the situation in Iraq, but when one reads a lot of the reports, one finds that the political and economic situation there is extremely fragile. Of course we hope that more progress will be made, but Britain and the others who invaded Iraq need to be there to ensure that we deliver on our development commitments. When the Iraq inquiry was announced,

the Liberal Democrats raised serious concerns about its structure, timetable and membership. On the eve of its opening its public sessions, new concerns have arisen. The Cabinet Office recently published a protocol on the documents for that inquiry, which specifically excludes some documents even going to the inquiry and puts a series of restrictions on what documents the inquiry can publish. I do not believe that that is delivering on what the Prime Minister promised when he announced the inquiry. Many others are concerned about how the secretariat for the inquiry is being staffed not by lots of outside experts in a mixture with civil servants, but by people who were all in the Foreign and Commonwealth Office or in the defence and the intelligence services at the time. We believe that they do not give the inquiry the independence that it needs.

Our foreign policy deliberations will remain scarred over the question of the Iraq war unless and until the inquiry is got right. We should have learned the lessons earlier and I believe that our efforts in Afghanistan and elsewhere would be rather more effective if this inquiry had happened earlier. I hope that it will be able to deliver the full, independent and comprehensive verdict that we need to go forward.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I inform all right hon. and hon. Members that Mr. Speaker has imposed a 12-minute limit on Back-Bench contributions?

4.55 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I welcome some aspects of the Queen's speech, particularly the international development spending Bill, which is about to be introduced, and the legislation on cluster munitions, which is in line with what the Select Committee on Foreign Affairs has called for over a long period. I am also disappointed, however, that legislation has not been proposed to regulate private military and security companies and that the Government decided a few months ago that there would be a voluntary code of self-regulation. That is unfortunate and I suspect that we might have to revisit the issue in the future.

The Foreign Secretary referred to the Commonwealth Heads of Government meeting that is coming up in Trinidad. I want to begin by concentrating on the Commonwealth aspect of the Foreign and Commonwealth Office. Too often, we ignore or downplay the importance of the Commonwealth. This week, it is important to give it renewed emphasis.

Reference has already been made to Zimbabwe. Of course, Zimbabwe will not attend the meeting because it has left the Commonwealth, but I hope that before too long Zimbabwe will be back as a member of it. Last week, I met the Foreign Minister of Swaziland, Lutfo Dlamini, who is part of a troika of Foreign Ministers from Mozambique and Zambia who, on behalf of SADC, have been trying to achieve political progress in Zimbabwe. He gave me a realistic and to some extent optimistic assessment of how things are going and the progress made, albeit with great difficulty. I hope that with the engagement of the other countries in southern Africa—particularly South Africa—we will see an acceleration of progress towards a truly democratic system within Zimbabwe and that that country will be back in the companionship and fellowship of the Commonwealth before too long.

Sir Nicholas Winterton: Is the Chairman of the Foreign Affairs Committee aware that Mr. Mugabe and ZANU-PF have recently completely ignored a decision of the SADC tribunal in respect of the occupation of a farm? Does that hold out much hope that Mr. Mugabe is prepared to move towards a more democratic, pluralist African state?

Mike Gapes: I accept that there are big problems. Another problem is the continued failure of the Zimbabwe Government, under the leadership of Mugabe, to allow Roy Bennett, a Minister, to be released from detention and to take his place within the political system. Other issues have also led to difficulties, but I believe that it is important that we in this country give support to those in southern Africa who are trying to achieve political progress in Zimbabwe.

I have also recently met trade unionists from Swaziland and Zimbabwe, who have expressed their concerns about the situation that faces so many people in southern Africa. In the context of Swaziland, it is unfortunate that the British Government decided, because of financial pressures, to close the high commissions in Mbabane in Swaziland and in Maseru in Lesotho a few years ago. Our new high commissioner in South Africa, Nicola Brewer, recently—last month—exchanged her credentials and went to Swaziland, where she gave an important message to King Mswati about the need to ensure that the Swazi constitution is upheld and that steps are taken towards democracy in that complex society. I hope that message will be received in that small but important Commonwealth country. I declare an interest: I was a teacher for Voluntary Service Overseas in Swaziland in 1971, so I retain an interest in the situation in the country.

I turn to another Commonwealth country—Sri Lanka. Reference has already been made to the announcement this week by the Sri Lankan authorities that they will allow the temporary departure of people still held in detention camps. A few months ago, up to 280,000 people were in those camps. Just last week, the United Nations under-secretary-general for humanitarian affairs and emergency relief, the British diplomat John Holmes, visited the camps in Sri Lanka. When he was interviewed for BBC world news on 19 November, he said that 140,000 people had been allowed to leave and that the situation was improving, but he drew attention to a number of concerns. The Sri Lankan Government need to act on them, including the fact that UN officials are still detained by the Sri Lankan authorities several months after the end of the conflict. That is not acceptable. The officials must be released as soon as possible.

If Sri Lanka is to become a prosperous state, it has to deal with its internal political dynamics and the feelings of alienation among a substantial number of its citizens. Tamil Sri Lankans are important to the standing of Sri Lanka in the world, because there is a huge diaspora, including in London. Many thousands are in my borough of Redbridge. Members of Parliament know from our conversations with our Sri Lankan Tamil constituents of their terrible anguish and concern about the situation in their homeland. It is important that there is real political devolution and reconciliation in that island in the future.

[Mike Gapes]

As part of its responsibilities over recent years the Foreign Affairs Committee has looked at a number of areas of the world. Last year, one of our reports highlighted the British overseas territories. We made a number of recommendations and criticisms, as a result of which the British Government established a commission of inquiry, under Sir Robin Auld, into the situation in the Turks and Caicos Islands. That led to recommendations for the suspension of the TCI Government and the reimposition of direct government from the UK.

A number of communications have been sent to me and members of the Committee over recent weeks from people living in TCI. Some of them are concerned about the bubbling discontent within society. People associated with the former Premier, Michael Misick, are lobbying and doing their very best to undermine the Governor, Gordon Wetherell, who was appointed last year.

Another concern was raised in a letter copied to me and other Members. The letter was sent to the right hon. Member for Witney (Mr. Cameron), the Leader of the Opposition, by Shaun Malcolm, a former leading opposition politician in the Turks and Caicos Islands. It says:

"I write to you in reference to your Deputy Chairman, Lord Michael Ashcroft, and the possibility that the Conservatives may form the next government in Britain.

We respectfully and sincerely ask for your written assurance that Lord Ashcroft will not be influencing, directly or indirectly, decisions regarding the Turks and Caicos Islands should the Conservatives win the next election, and if you are willing to give us these assurances then we kindly ask for you to work with us now to establish tangible safeguards towards this goal."

The letter then goes on to quote the work of the Foreign Affairs Committee and praises three members of our Committee: the right hon. Member for Tonbridge and Malling (Sir John Stanley), whom I see in his place, my hon. Friend the Member for Hyndburn (Mr. Pope) and the hon. Member for Hereford (Mr. Keetch). They visited the islands, and on their recommendation, our Committee published the report. Shaun Malcolm says:

"As I am sure you are aware, under the guidance of the FAC, and in particular through the valiant efforts of these men...the Foreign and Commonwealth Office initiated a Commission of Inquiry",

to which I have already referred. He continues:

"The Commission of Inquiry's findings led to an Order in Council that has resulted in direct rule of the Turks and Caicos Islands coming into effect on August 14, 2009. Most thinking citizens and residents of the TCI are grateful for the intervention and look to work hand in hand with the British to rebuild our institutions of governance.

The people of the TCI have passed through an extremely dark period. The media in the islands was bought or intimidated, free speech was restrained, and much like dissidents in China, we had to go to the Internet to get beyond the intimidation of the local government to inform our citizens and the world community about what was happening here.

Your Deputy Chairman, Lord Ashcroft, and his son Andrew Ashcroft, have been deeply involved in the affairs of the TCI for much of this last decade, to the point where his bank, Belize Bank TCI, recently renamed as British Caribbean Bank, is now the largest banking institution within these islands, as stated by him. Sir Robin's Inquiry found that many of the questionable transactions involving local politicians during these last six years were financed by Lord Ashcroft's bank.

As well, their alleged involvement with local property development and environmental holocausts such as the Leeward Development on Provinden.iales have caused grave concerns within our small territory.

Due to his willingness to contribute to both political parties, as well as the small size of our population and economy—only 30,000 citizens and residents in total—Lord Ashcroft's wealth and his willingness to use it, has and does give him a level of influence that we feel puts any hope of democracy here at risk."

And he goes on to—*[Interruption.]*

Madam Deputy Speaker: Order.

Mike Gapes: I am concluding on this section.

Madam Deputy Speaker: Order. The hon. Gentleman is an experienced Member and is aware that quotations from letters or articles are meant to be brief. I hope that he will now continue his speech.

Mike Gapes: Madam Deputy Speaker, the concluding sentence of the letter expresses the hope that

"the TCI will continue on its path towards good governance"—

Madam Deputy Speaker: Order. I suggested that perhaps the contribution that the hon. Gentleman had quoted was rather long.

Mike Gapes: I wish to conclude on this matter by saying very clearly that serious questions need to be answered by the Leader of the Opposition—I hope that he will do so—and that the matters relating to the TCI and the fact that the Caribbean bank plays a role in other territories in that region, including Trinidad, need to be looked at very seriously.

In conclusion, much has been said in the debate about Afghanistan—*[Interruption]*—and Iran. The Foreign Affairs Committee has published serious reports on those countries, and there were debates in other places on them. *[Interruption.]* In the time left to me, I would say—

Madam Deputy Speaker: Order. I am afraid that the hon. Gentleman's time is up.

5.9 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): It is profoundly disturbing that the priorities of the hon. Member for Ilford, South (Mike Gapes) are to give 30 seconds to Afghanistan and the rest of his speech to the Turks and Caicos Islands, but he must account for that. It is also profoundly disturbing that this country has been, for all practical purposes, almost continuously at war over the past 10 years—in Kosovo, Iraq and now Afghanistan. There has been no similar period since the end of the second world war in 1945 when that could have been said.

There is, of course, a question about whether those have been wars of choice or wars of necessity. In my judgment, both Kosovo and Iraq, whatever the arguments might have been, were effectively wars of choice. Neither this country nor its allies had been attacked. We chose wisely or unwisely—I believe, unwisely—to launch military operations in both those countries. Whatever the criticism of those two operations, we should not allow that to be used to create an assumption that Afghanistan, too, is a

war of choice, because in my judgment that is not the case. Not only did it originate with the slaughter of more than 3,000 citizens, including some of our own, in the United States of America, but it is often overlooked that the intervention in Afghanistan had the unanimous approval of the Security Council of the United Nations, and to have been able to have the support of Russia and China as well as of western countries is very unusual and demonstrates the unique circumstances in the case of Afghanistan.

If Afghanistan was a war of necessity, however, that still gives rise to two other questions. Is it still a necessity that our military forces should be there? And can we win? Those are issues that I wish to address. Often one hears the suggestion that nobody can win in Afghanistan, and the example is used of the Soviet Union or the "great game" in the 19th century. That is profoundly mistaken. That does not guarantee that we will win, but it is an unwise historical argument. Unlike the Soviet occupation of Afghanistan, which was loathed by every Afghan, we are dealing with the Taliban insurgency, and even if the Taliban have some significant support among the Pashtun element of the population, it is worth remembering that that is only half the population of Afghanistan, and there is no evidence of any enthusiasm for the Taliban from the other half. It is worth remembering also that almost half the members of the Afghan national army, which is being created at this very moment, are from the Pashtun section of the population from the south of the country and represent that ethnic group.

Let the House recall too that when the mujaheddin were fighting the Soviets, the mujaheddin had strong support not only from the United States but from Saudi Arabia and a range of other countries in the international community. The Taliban have no support of that kind. The terrible casualties that they have caused have not, for the most part, been in direct combat; they have been through improvised explosive devices or suicide bombers. One does not win a war that way. One can attempt to destroy the political will of the other side—that is the objective—but one cannot win a war.

I am delighted that the right hon. Member for Pontypridd (Dr. Howells) is in his place. I read his article in *The Guardian*, in which he called for the withdrawal of British forces from Afghanistan. I greatly respect the right hon. Gentleman; he is a brave and courageous man and I hesitate to disagree with him, but I do. I believe that his article was wrong for a number of reasons. First, he used the argument that somehow by withdrawing from Afghanistan we could use the resources saved to improve the police and intelligence services in this country. He must know that to draw a link of that kind is profoundly unconvincing and unnecessary. I am no admirer of the present Govern[illegible] but I would not for a moment argue that the [illegible] and police forces in this country have been dep[illegible] the resources they need for counter-terrorism because we have a war going on in Afghanistan. That is not convincing.

Secondly, also in his article, the right hon. Gentleman hardly mentioned Pakistan; indeed, I do not think he mentioned it at all. He must appreciate that a withdrawal from Afghanistan would have massive implications for the very welcome attempts by the Pakistani Government to deal with comparable serious insurgency on their own territory.

However, I thought the most astonishing thing about the right hon. Gentleman's article was that it became clear that he was calling for unilateral withdrawal by the United Kingdom, not by NATO as a whole, although no doubt he would want that. He was very honest about that, saying that a British withdrawal, which he was calling for, would have

> "momentous implications for UK foreign and defence policy. We would need to reinvent ourselves diplomatically and militarily. Treaties and international agreements would have to be renegotiated. In particular, relationships with our Nato partners, especially with the Americans—our most trusted and valued allies—would alter fundamentally."

Is he seriously suggesting that he wants to recommend that series of events to the House and the country? It would be a massive betrayal of our allies in the middle of a war if the United Kingdom were simply to withdraw.

The right hon. Gentleman used an unfortunate phrase in the next paragraph of his article, when he said that we should be aware that our service personnel are being

> "killed or wounded in support of difficult outcomes and flawed regimes in"

what he called

> "faraway countries."

He may recall that the last person who spoke of faraway countries of which we know little was Neville Chamberlain in the 1930s, in circumstances that proved to be very serious indeed. I hope that the right hon. Gentleman will reflect on some of the arguments he has used.

There is a lot of interest at the moment in whether there should be a surge, and what decision President Obama will come to in that regard. I will not criticise the President for the time he is taking to reach a decision; I would rather that he spent eight weeks and made the right decision than eight days and made the wrong one. Indeed, I recall that a former President of the United States, Abraham Lincoln, said:

> "If I had six hours to chop down a tree, I'd spend the first four hours sharpening the axe."

That is appropriate. Given that the decisions President Obama has to take are profound, and given that he is getting conflicting advice on the issue, I think we can give him the right to take his time in reaching a correct judgment.

What would be the significance of an additional 30,000 or 40,000 troops? I am under no illusions; I do not believe that that, by itself, would mean that we would win the war and defeat the Taliban. However, the House should appreciate that decisions to withdraw or increase troops have not just a military impact, important though that impact is, but can have a profound political and psychological impact on allies and, more importantly, the enemy.

If we were to announce even the beginnings of a withdrawal, the Taliban would be entitled to say, "Why should we contemplate a political solution? Why should we contemplate any compromise in our aspirations? NATO and the west are about to withdraw anyway, so we can proceed on that assumption." When a very large increase in American forces is proclaimed, as I suspect it will be, it will bring military advantages in a number of parts of the theatre of operations. It will also send an unmistakable signal to the Taliban that the political will of the international community has not been lost—that we are prepared to see the matter out and reach a

[Sir Malcolm Rifkind]

proper solution. That will dramatically increase the prospects of the Taliban—not necessarily its leadership, but major elements of that organisation—being willing to seek a route of political compromise. If they are willing to do that, we, too, can welcome such an outcome.

I now turn to the strategy of the international community. I keep repeating the phrase "international community", because we are part of an intervention that is endorsed by the UN Security Council.

Jeremy Corbyn: I have listened carefully to everything that the right hon. and learned Gentleman has said. British, American and other troops have been in Afghanistan for eight years. How much longer will they stay there, and what would he call a victory? Will those troops just go on to some other country to which it is perceived that the Taliban may have fled?

Sir Malcolm Rifkind: Let me answer the hon. Gentleman by making the following point. We did not go to Afghanistan to deal with the poppy trade, corruption or women's rights, important though all those are. We went to stop al-Qaeda being able to operate from within that country. We have already achieved that aim, which was the primary reason we went there. Effectively, al-Qaeda has been emasculated within Afghanistan. The mischief that it can get up to from the caves in the mountains is of very little consequence, in terms of its Afghan operation. The question is how we prevent that situation from being reversed, and how we sustain it. That means that we cannot simply pull out and create a vacuum; that would give the Taliban free run of at least half the country, if not the whole.

The strategy has to have three components to it. First, as has been announced, there must be major training and enlargement of the Afghan national army, so that it can take over responsibility for security in due course. I hope that that can be done sooner rather than later, but that is not entirely within our control.

When that has been achieved, it will allow the gradual withdrawal from Afghanistan of our combat forces on the ground—perhaps all of them—but there should be a continuation thereafter of NATO air support to the Afghan Government. That is a crucial part of the strategy that has to be endorsed. We should remember that when the Taliban were ousted in the first place, we did not have NATO ground forces involved; it was NATO air support, primarily from the United States, combined with Afghan anti-Taliban forces, that drove the Taliban out of power. The Taliban had no air power, and there is no prospect of their having any air power. They cannot conquer Afghanistan simply by having people on the ground if NATO, even after withdrawing its ground forces in three or four years' time, continues to give air support to the Afghan Government as and when required. That is the second component.

The third component has to be that we recognise that, even at that stage, the Afghan Government will not have full control over large parts of the country, particularly in the south. Therefore I hope the international community will reach a treaty agreement with the Afghan Government that even thereafter, if there is evidence of al-Qaeda or other terrorist activity going on in any of the areas of Afghanistan that the Afghan Government still do not control, we will have a treaty entitlement to send in special forces or military operations to eliminate that terrorist presence and thereby ensure the safety of the world and of our own international interests.

That is the practical way in which we can anticipate the gradual withdrawal of our combat forces on the ground, which will have major benefits in terms of reducing loss of life, but not surrender our obligations to the Afghan Government and our even more important obligations to the battle against international terrorism.

Let me make one final point. The Prime Minister has mentioned that he wants to offer London as the site for an international conference on Afghanistan early in the new year. That may be a very good idea, but I understand that the Foreign Office has not yet decided even who it would like to invite to that conference. I would suggest that included in the guest list need to be not just the members of ISAF, not just the Afghans and the Pakistanis, but the countries that are close to and border Afghanistan and have a crucial interest in its future—Russia, China, India, perhaps even Iran, Saudi Arabia, and some of the other Arab states.

I say that for two reasons, the first being that those countries have a strategic interest, just as we do, in preventing Islamic-inspired terrorism in the international community. In Russia, China, India and a number of other countries in the region, that is a strong preoccupation. The second reason is that it will be a way of reminding the wider public, including our own public opinion, of the point that I made when I started my remarks—that this is not just an American operation or a western operation, as Iraq undoubtedly was, but an international operation blessed by the Security Council of the United Nations. So the presence of Russia and China, not to provide troops, but to provide diplomatic and political support and in other practical ways, would demonstrate that the international community has a common will to ensure that terrorism cannot operate from within Afghanistan in the future. That will allow us not only to see a resolution of the problem, but to hold our heads high while we do so.

5.22 pm

Dr. Kim Howells (Pontypridd) (Lab): It is a privilege to follow the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), as ever. He is right to focus on my proposal that we should reinvent ourselves diplomatically. I sense that in the country there is increasing unease about the way in which we use our armed forces and why they are deployed. I am glad to see that over the past fortnight a debate on Afghanistan has emerged, which was sorely lacking previously. I hope it continues.

As for the right hon. and learned Gentleman's suggestion that I am advocating that we betray our allies, I have to say that I certainly do not advocate that. We must take a lead, however. As some of my hon. Friends and his right hon. and hon. Friends have said, we have been there for eight years now, and eight years is a long time. One of our most distinguished diplomats said that it may take 30 years. It may, in his historical perspective. Let us try explaining, back in the constituencies that produce the soldiers and those who fly our planes and sail our ships, that we will be sacrificing lives for the next 30 years—it is not an easy thing to do. It is probably also very bad politics and it is not the way to conduct a campaign such as this one.

I have heard all sorts of things this afternoon about how it might be possible to persuade the Taliban to come in, and so on. I will try to deal with that. I say this to the right hon. and learned Gentleman: I suspect that, like me, most serving and former Ministers are praying for an Afghan miracle, hoping that President Karzai will turn out to be a variation on Nelson Mandela and that, instead of risking their lives fighting the Taliban, British soldiers will be able to concentrate on what is portrayed—doubtfully, in my opinion—as the much safer task of training a new Afghan army. We can pray as much as we like; it is not going to happen.

I have no doubt that training will increase, because the Prime Minister has told us for the first time that our forces will be able to leave Afghanistan when we have helped to create an efficient, well equipped Afghan army capable of defending the remit of the Kabul Government against the Taliban. But right now, in the early winter of 2009, the American and British military commanders want combat troops. Trainers are very much their second priority. Without significantly increased combat capacity, ISAF will be capable of doing little more than protecting major towns and highways and, presumably, army training camps from serious Taliban damage.

At first glance, the training target may appear reasonable. After all, we used a similar ploy to extricate ourselves last year from southern Iraq. But southern Afghanistan is not southern Iraq: our troops confront a very different enemy, in the poorest and most backward of countries. Iraq, if it chooses, can develop its vast oilfields to help to pay for its new security forces; Afghanistan has nothing comparable. Iraq has endured notoriously dominant, centralised government for decades; Afghanistan has endured provinces run by warlords, drug barons and mullahs, where there is little evidence of anything resembling the effective influence of a centralised Administration.

Afghanistan, as we have heard, shares an impossibly lawless border with Pakistan, one of the most problematic countries on the planet: a nuclear-armed state whose very existence is threatened by violent religious fundamentalism, secessionist terror and institutionalised corruption. Since 2002, the Pakistani city of Quetta has provided a congenial home for the leadership of the Afghan Taliban, the shura, which continues to plot its Afghan operations while the Pakistani intelligence service looks the other way. To the north of Quetta, Afghan and Pakistani Taliban, along with Baluchi separatists, cross and re-cross the border, but our soldiers, hunting the Taliban, cannot move with the same facility.

The American and British forces cannot invade Pakistan as Afghanistan was invaded. It is true that these days the Pakistani Government, desperate for any discreet military help they can get, may turn a blind eye to the movement of American drones and special operations, if those movements succeed in killing prominent Taliban and al-Qaeda members. The Pakistanis know, however, that their fragile credibility would literally be shot to pieces if infidel armies were invited into the country to tackle jihadist terrorism.

As my right hon. Friends wait, along with the rest of us, for President Obama's decision on whether to deploy more troops to Afghanistan, they repeat the mantra claiming that winning the war against the Taliban in Afghanistan aids immeasurably the prevention of Islamic terrorism inside our borders. They are convinced that we must continue to disrupt, through armed intervention, the links between the terrorists in Pakistan and those in the United Kingdom.

The argument for fighting terrorism in Afghanistan rather than in Britain was heard more often, from people such as me, after the murder by Islamic terrorists of 52 innocent citizens in London in July 2005, but we ought to remember that by 2005 few of the terrorists' links can have remained in Afghanistan. The combined operations by American, Canadian and British forces over the previous three years had driven the Taliban and al-Qaeda leaderships out of Afghanistan, so that they were forced to find refuge in other ungoverned places. Chief among those was Pakistan, and they remain there, as the current wave of suicide bombings bears witness.

No doubt some will also have moved on to Yemen, Somalia and the Sahel—that huge ungoverned space that stretches across northern Africa. Others will have integrated themselves in cities such as Mumbai and Mombasa, and in locations closer to European targets. Some of those being trained as bombers and assassins in Afghanistan and Pakistan will have returned to their native countries. Some have moved back into Afghanistan, where currently they are killing our soldiers. I cannot believe that any politician, in this or any other country, assumes that the act of killing Afghan Taliban in large numbers will reduce the threat posed by an international terrorist organisation capable of adapting and regrouping as al-Qaeda has.

Andrew Mackinlay: The significance of what my right hon. Friend wrote and is saying derives not from the fact that he was a distinguished Foreign Office Minister—although he was—but that he is Chairman of the Intelligence and Security Committee. That means either that he knows what he is talking about because he has seen the intelligence, or, if he has not seen it, that he should have done.

Dr. Howells: I am certainly not making this speech or writing anything on behalf of the Intelligence and Security Committee; I can tell my hon. Friend that for a kick-off.

There are significant differences between the aims of the Afghan Taliban and their brother organisation in Pakistan, and al-Qaeda. The Afghan and Pakistani Taliban are fighting to take control of their respective countries, while al-Qaeda's objectives remain much more global. Al-Qaeda wants to destroy America and its western allies, as well as the Governments of the middle eastern states that it considers to be too pro-western. It has little love for Shi'a Islam or any other variation of its Wahhabi and Deobandi Sunni orthodoxies.

The differences between the aims of the Taliban and al-Qaeda, however, do not mean that they can easily be prised apart. *[Interruption.]* The hon. Member for Kingston and Surbiton (Mr. Davey) looks as if he has had enough of this, but I want him to listen. I believe that the Taliban and al-Qaeda are simply different faces of a common ideology—what one observer has defined as an "obdurate and uncompromising version of political Islam." That has manifested itself in the form of murder and mutilation, from New York, through Madrid and London, to Mumbai and Bali. Osama bin Laden is but the best known of these obdurate non-compromisers; he and his

[Dr. Howells]

disciples have a record of moving on, and they will continue to do so. As I said, al-Qaeda's response to the superb professionalism of the British armed forces and those of our allies has been to seek to re-establish for itself sanctuaries in fragile, troubled territories such as northern Yemen and war-torn south-central Somalia, as well as Pakistan. I do not believe that we or any other NATO member intend to deploy large numbers of our soldiers to fight in Yemen and Somalia, despite the possibility that al-Qaeda will use those places, as it used Taliban-controlled Afghanistan, to train its bombers and assassins.

If we accept that al-Qaeda continues to pose a deadly threat to the United Kingdom and if we know that it is capable of changing the locations of its bases and modifying its attack plans, we must also accept that we have a duty to question the wisdom of prioritising, in Government spending on counter-terrorism, the deployment of our forces to Afghanistan. I am arguing once again that it is time to ask whether the fight against those intent on murdering British citizens might be served better by diverting into the work of the UK Border Agency and our police and intelligence services much of the additional finance and resources swallowed up by the costs of maintaining British forces in Afghanistan.

General Dutton, the deputy commander of ISAF, says that it would be impossible to deny al-Qaeda the advantage of having training camps in a future Taliban-controlled Afghanistan without there being substantial US, NATO and Afghan Government troops on the ground for many years to come. I was interested to hear what the right hon. and learned Member for Kensington and Chelsea said about this issue; I very much agree with him. General Dutton argues that it will be impossible to destroy training camps—the potential springboards for terrorist attacks—simply by patrolling from the skies. In other words, the use of airborne firepower will have to be supplemented by very large numbers of ground troops.

If previous conflicts are anything to go by, General Dutton is probably right. However, I am not convinced that life for al-Qaeda camp dwellers could not be made extremely dangerous and uncomfortable as a consequence of the attentions of unmanned Predator aircraft, attack helicopters, guided missiles and so on. The current wisdom is that NATO and ISAF should continue to build up troops, including British troops. General Dutton said recently that the ideal number of troops required to turn the tide in a country such as Afghanistan, with its 28 million people, is around half a million. Currently, many fewer than half that number of foreign and Afghan troops are available to him. General McChrystal has complained about that and wants more troops. Recent attacks in Kabul and other centres suggest that the current balance of territorial control is at best likely to remain, or more likely to shift, in favour of the Taliban.

I hope that a Government will emerge in Kabul who are capable of convincing the Afghan people that they have a society worth protecting from the misogynistic, mediaeval cruelty and backwardness of the Taliban and al-Qaeda, but I sense that the vast majority of the British public share my pessimism and believe that it will be a very long time before that happens.

I also sense that the British public, for better or worse but increasingly, will become less tolerant of Governments placing at risk the lives of our armed forces by deploying them to such conflicts in support of outcomes that are complex and confusing. In other words, I believe that we have no choice but to seek different ways of ensuring this country's security, ways not only that the public find more acceptable but that will be more successful.

5.35 pm

Sir John Stanley (Tonbridge and Malling) (Con): It is a pleasure to follow the right hon. Member for Pontypridd (Dr. Howells), who we on the Foreign Affairs Committee remember as a Minister with a refreshing propensity to deviate from the official brief. The right hon. Gentleman, my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) and the Front Benchers rightly focused on Afghanistan, and I wish to pay my own tribute to the extraordinary courage and skill of our service personnel there.

I wish to devote my time to the situation in the western Balkans, which I visited last month with other members of the Foreign Affairs Committee. In the three most difficult countries, we face a time-critical issue. In Serbia, the bicycle analogy is now something of a cliché, but I think that it is applicable in this case. The reality is that we will probably not maintain the forward-looking Government of President Tadic unless there is continuing momentum towards EU accession. Although the EU has managed to sign up to, but not ratify, the stabilisation and association agreement for Serbia, there is now an impasse created by the Dutch position. We all understand that the Dutch are still transfixed by the passive role played by Dutch UN forces around the time of the Srebrenica massacre. It is still an explosive issue in the Netherlands, and it has already brought down one Dutch Government. However, having recognised the political realities in the Netherlands, I have to say that it is not reasonable to impose on Serbia conditions for making progress with its EU accession that are simply not realisable.

My right hon. Friend the shadow Foreign Secretary mentioned the phrase "full co-operation with the ICTY", but the new chief prosecutor for the ICTY, Serge Brammertz, has said that he will not use that phrase, as he believes that it has become politicised. It is not therefore a realistic hurdle to put in front of Serbia. We all want to see Mladic and Hadzic alongside Karadzic in The Hague, but the issue is whether Mladic is still in Serbia. The Serbian Government can deliver only those people within their territories.

The key issue will come next week, when we get the next report by Mr. Brammertz. That will be followed by an EU Foreign Ministers meeting the following week. My information is that the Brammertz report is likely to be as favourable as is reasonably possible as far as Serbia is concerned, and in the discussions that we had with Ministers in Belgrade, they were all determined to co-operate fully with the ICTY and to do their best to find Mladic and Hadzic if they were in Serbia. I therefore very much hope that if the ICTY report comes out as I believe it will, the Government and the Foreign Secretary will take the two crucial steps at the forthcoming EU Foreign Ministers meeting that will be necessary to keep Serbia's EU accession going forward. Those steps will be making progress towards unblocking the

implementation of the interim agreement under Serbia's SAA, and beginning the EU ratification process for Serbia's SAA.

Let me move from discussing Serbia to dealing with the position in Kosovo, where we also have grounds for a reasonable degree of cautious optimism. Among the Serbian municipalities, the municipality elections in Kosovo two years ago were effectively a write-off. There was virtually no turnout at all. In contrast, the elections two years later, which have just been completed—I refer to those south of the Ibar river—have been a remarkable success. The turnout has averaged between 20 and 25 per cent., which is a dramatic improvement and a dramatic increase in the willingness of Kosovo Serbs now to participate in elections organised from Pristina.

The critical issue now is what will happen in the elections for the two remaining Serbian municipalities, in particular north Mitrovica. President Sejdiu has wisely deferred those elections for six months, until 15 May next year, to enable the maximum possible time to ensure that they are held on a free and fair basis. That will be a serious challenge in north Mitrovica. The area is dominated by Serb hardliners. Their control is exercised by threat, intimidation, telephone calls threatening actions if people participate and knocks on the door at night. In the past, those intimidatory tactics have had considerable success.

A huge responsibility now lies with EULEX, the EU rule of law mission in Kosovo. EULEX is the largest civilian deployment under the European security and defence policy, and something of the ESDP's civilian credibility hangs on its success. EULEX has six months flat to try to create conditions in Kosovo under which the elections can be held on what we hope will be a reasonably free and fair basis in north Mitrovica. If that can be achieved, we shall have moved a long way to maintaining the integration of Kosovo and creating conditions in which its progress towards EU accession can take place.

I come finally to Bosnia and Herzegovina. My right hon. Friend the shadow Foreign Secretary was entirely correct in his opening remarks when he referred to the fact that the position in Bosnia and Herzegovina is going backwards. As we are all aware, the constitutional arrangements that are now in place were a brilliant triumph at the point at which they were concluded—in other words, the Dayton peace agreement of 1995, which had the hugely beneficial effect of stopping the terrible bloodshed taking place in Bosnia and Herzegovina, which was the most serious violence and bloodshed to have taken place in Europe since the end of world war two.

That peace agreement was achieved at a price. The price was a constitution that contains a series of ethnic blocks—blocks at the state level; blocks at the entity level; block after block after block. Although the agreement brought peace, it has not brought a constitution that is viable in terms of a governmental decision process for EU accession. The EU recognises that, the US recognises it, the Bosniaks recognise it and the Bosnian Croatians recognise it. The one group that does not, of course, is the Bosnian Serbs. At the moment, unless they can be persuaded to amend the Dayton constitution and to create a viable governmental structure at the top to deal with EU accession, the impasse will continue.

This issue is also time critical. The present EU-US negotiating team will not be in play for ever; it is time limited. Indeed, I would say that it is crucial that progress be made in the next two or three months. I hope that the British Government, along with our EU and US partners, will use all possible influence to prevail on Mr. Dodik, and to make him understand the reality that he is taking the Republika Srpska into a complete cul de sac. There is no future for the people of the Republika Srpska if it is an isolated, supposedly independent, mini-state with no prospect of going anywhere. I do not believe that it will receive material support from Serbia for much longer, if at all, and I do not think that it can hope for very much from the Russians either. It is in a cul de sac, and Mr. Dodik needs to be persuaded that that is the case, so that Bosnia and Herzegovina can make progress.

Over the past 15 years, we in the EU, the US and Britain as an individual country have all invested enormous amounts of time, effort, money and resources into the western Balkans. I earnestly believe that, having made that investment, we cannot allow any of those countries to fail.

5.47 pm

Ann Clwyd (Cynon Valley) (Lab): We have heard much this afternoon, particularly from the Liberal Democrats, of the virtues of taking tea with people who change their point of view to one's own point of view. The Foreign Secretary is having tea with Mr. Shalom this afternoon, and I wish him luck. The last time I, as chair of the Inter-Parliamentary Union middle east committee, had tea with Mr. Shalom was in Tel Aviv. He had been perfectly pleasant until I mentioned Palestinian prisoners, but then, unfortunately, he almost leapt over the dining room table to get me by the throat. So I sincerely hope the Foreign Secretary is luckier than I am, but I suspect that he will not be.

My right hon. Friend and neighbour, the Member for Pontypridd (Dr. Howells) and I disagree about very little, except perhaps the leadership of the Welsh Assembly, on which we profoundly disagree. I should like to follow up on some of the points that he made, but I want to spend the time available today talking about Iraq. For the first time in many years, the Queen's Speech did not mention Iraq. The complex issues relating to that country have dominated so many debates, questions and speeches in the House in recent years, and I feel that it is important to use this moment to highlight the important progress that has been made, and to remind the House of some of the issues that still need further attention.

I spoke to President Talabani of Iraq when he was here in London recently to attend the very moving memorial service for UK troops who had been involved in operations there. I was struck by the fact that, despite all the difficulties that Iraq has faced since the overthrow of Saddam, the President retains an unwavering belief that it was the right thing to do. It is clear from talking to him, and almost any other Iraqi, that ultimately only they can solve Iraq's problems. The role of the UK and coalition forces was to get them to the point at which they had a realistic prospect of success. I have full confidence in the determination of the Government and the people of Iraq to ensure that the country continues on its path to stability.

[Ann Clwyd]

Iraq's internal dynamics have changed significantly over the past 18 months, and I believe that it is now a nation that has changed for the better. There have been significant improvements on security, the economy and politics. Millions of Iraqis now have control over their own destiny. The Iraqi people have embraced democracy with great enthusiasm. The parliamentary elections in December 2005 saw a turnout of around 80 per cent., and provincial elections were held successfully in January this year, again with a very high turnout. National elections are due to take place in January 2010 and will provide another opportunity for Iraqis to embrace democracy. The Iraqi Parliament and the Council of Representatives are both steadily maturing as a voice for the people.

There are difficulties and delays in passing a new electoral law to regulate the next elections and the composition of the new Iraqi Parliament. Again, however, 25 per cent. of the places are going to be set aside for women, which is a point worth making here. It is another welcome sign that difficulties are being battled out in the political arena rather than on the streets.

The attempts by some to throw progress off course, as seen in the terrible bomb attacks on key ministries in Baghdad in August and October, have not had their desired impact. The response from Iraqis has been to deal with matters in a mature and considered manner. I sincerely hope that all the main political leaders in Iraq will continue to work together in a spirit of compromise and for the interests of all Iraq. Not doing so risks damaging the recent gains in security and political progress.

It is clear that many challenges remain in ensuring peace and stability in Iraq. Starting from such a low base, it is inevitable that work remains to bring about an effective human rights culture in Iraq. In my continuing role as the Prime Minister's special envoy on human rights in Iraq, I continue to engage with a wide range of Iraqis—both here and in Iraq—to help this process along. I urge those I meet to continue to focus their efforts on ensuring that the rule of law is respected.

The number of detainees held without trial has dropped considerably over the past 18 months, but sustained effort to ensure that those remaining are either released or made to face trial is needed. All those subject to the Iraqi legal system should be dealt with in a timely and humane manner.

Freedom of expression was an area that suffered greatly under Saddam. Since 2003, a vibrant media reflecting a wide spectrum of views has sprung up. There are signs of some efforts to curb the effectiveness of the media, with new regulations and legislation under consideration. This is a subject that I intend to raise when I visit Iraq shortly and meet key activists working to protect the rights of journalists. I discussed the challenges faced by the media in Iraq at one of the programmes of ongoing human rights forums or round tables held by the Foreign Office this year, which I chaired.

Industry in Iraq continues to recover and international trade links are being re-established. British companies assisted by UK Trade & Investment are showing more interest in doing business in Iraq. To support their efforts, the UKTI staff in our diplomatic missions in Iraq have been bolstered. BP and the Iraqi Government signed a new deal earlier this month to help revitalise the Rumaila oil field in southern Iraq, which should dramatically increase oil production and revenue for the Iraqi Government.

There is much work still to be done to protect the rights of Iraqi workers. The British TUC, which I thank very much, continues to assist in many ways. There remain in place many Saddam-era regulations restricting the rights of trade unions and preventing public sector workers from joining the union of their choosing. I am pleased to hear that a campaign launched by the Iraqi permanent co-ordination committee of trade unions and professional associations is gathering momentum. I note with some satisfaction that on 13 November President Talabani himself signed up to their campaign calling for more equitable labour laws.

I have raised from the start concerns about the treatment of women in Iraqi society. Women continue to face many problems in their day-to-day lives. Article 41 of the constitution could seriously affect the rights of women and I hope it will be revisited in the ongoing constitutional discussions. So-called "honour-based" violence has been reported as on the increase in many parts of Iraq. This is not a religious or an Islamic practice, but something rooted in the traditions of the clans and tribes. I have encouraged the leadership in Iraq, particularly the Kurds in the north, to speak out against it and to treat any "honour" crime just like any other crime. The considerable abilities of the new Kurdish Prime Minister, Barham Salih—he has visited this House several times—will, I think, be used to good effect in Iraqi Kurdistan, and I am sure that we would all want to send our good wishes to him. He has been an excellent Deputy Prime Minister of Iraq and I am sure that the Kurds will benefit from having him as Prime Minister of Iraqi Kurdistan.

I plan to visit Iraq again before the end of the year and am sure that, as in each of my previous visits since 2003, I will see further evidence of improvements. I know I will meet Iraqis who are committed to the future of their country and to seeing peace and prosperity. I know I will meet such people because they form the overwhelming majority of the population. I am sure that they will be pleased to hear that Iraq is no longer such a regular source of bad news and that they will not be at all offended that this year they did not even get a mention from Her Majesty the Queen in her Gracious Speech.

I finish with a short announcement. On 1 December, our present ambassador in Iraq will be coming here to answer questions. The Foreign Minister will also be present, as will the chargé d'affaires from the Iraqi embassy. I hope that those interested in Iraq will come along on 1 December to ask any questions that I have not been able to answer today.

5.57 pm

David Davis (Haltemprice and Howden) (Con): It is a privilege, as always, to follow the right hon. Member for Cynon Valley (Ann Clwyd), but I am going to focus in today's debate solely on some very simple points about the campaign in Afghanistan. Let me say from the outset that I agree with a great deal of what has been said by a number of earlier speakers. I agreed with

about half of the speech of my old friend, the right hon. Member for Pontypridd (Dr. Howells)—I shall deal with that more fully in a few moments—and I agreed even with the Liberal spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey). He jeopardised the career of my hon. Friend the Member for Gravesham (Mr. Holloway), so I am going to do the same back to him—again, I shall come back to this shortly. I agreed most of all with the analysis provided by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), a former Foreign Secretary, who showed that his intimate grasp of foreign policy issues is as firm as always.

My right hon. and learned Friend talked about whether the Afghan war is a war of choice or of necessity. There is no doubt that, back in 2001-02, it was a war of necessity. Whether our deployment into Helmand in 2004-05—in the so-called Operation Herrick 4—was a matter of necessity, I am much less sure. At that point in time, I was extremely doubtful about the value of that deployment.

Indeed, in a policy discussion at the time, when many experts were talking in a meeting about how to achieve victory, I am afraid my response was, "Well, I do not know how you will achieve victory, but how will you recognise it? What does victory consist of? Is it the defeat of al-Qaeda and driving them out of Afghanistan? Is it the defeat of the Taliban? Is it the destruction of the drug trade? Is it simply the protection of Pakistan? Is it simply the creation of a stable Government or is it the creation of a Jeffersonian democracy complete with proper treatment of women and all the things we like to see in a civilised state?" The truth of the matter is that I got no answer, which is unsurprising because at that point in time, the Government did not appear to have an answer either. Indeed, their justification for the deployment varied from week to week.

If it is not clear what a victory looks like, it is certainly clear what a disaster looks like. A disaster would be a precipitate withdrawal from Afghanistan now. Whether it looks like the American scramble out of Vietnam, with helicopters on the roof of the embassy, or whether it looks like the Russian deployment when the last general—I think it was General Gromov—walked out in a dignified manner over Friendship bridge back into mother Russia: either way, it is a disaster on several counts.

First, such a withdrawal would be a disaster for all the decent Afghans trying to make a decent living under the regime as it stands, and particularly for the Afghan middle class, many of whom are leaving in droves as we speak. Secondly, it would be a disaster for Pakistan, which has enough internal problems without having a further cause of them on its borders. Thirdly, it would be a disaster for the western alliance—I use that phrase deliberately, rather than the phrase, "international alliance" used by my right hon. and learned Friend the Member for Kensington and Chelsea, as that is how it would be portrayed on the streets by Islamic fundamentalists around the world. The effect of that on our battle, or conflict—whatever one wishes to call it—against terrorism is my most serious concern, because that is a gift we do not want to give them. My argument starts from the point that if there is any material chance of victory—I do not care whether it is one in five, one in 10, one in two, or two in three—we must take it, to avoid that disaster.

The Foreign Secretary made the obvious point—I do not mean that disparagingly—that any victory comes out of a military, civil and political dimension. That is self-evident. We must not lose sight of the fact, however, that the civil and political are not replacements for the military component. The civil component can only work if the military component works. There is no point in building schools and hospitals if next week they are burned down. There is no point in training teachers and nurses if they are hanged or decapitated. There is no point in trying to run a country if one cannot deliver justice on the ground, which, I am afraid, is the circumstance in Helmand today. Even in Lashkar Gah, ordinary Afghan citizens will walk eight miles to a Taliban village to get justice in a Taliban court, because they do not trust the justice system they currently have.

Security comes first and it is important that our leaders, whether the Prime Minister or the President of the United States, grip that nettle tightly. Our problem is that both our leaders are undoubtedly civilised people who do not like, and are not comfortable with, sending young men and women to their possible death or maiming in a foreign country. That is entirely understandable and a civilised reflex. Unfortunately, however, doing half the job, or sending half or a quarter of the number of troops that would be enough, is a way of increasing the number who are hurt and who die in our cause.

When General McChrystal calls for 40,000 troops, that is what we should give. McChrystal is not well known in this country but he is very well known in Washington. He is the man to whom the Americans largely attribute the success of the surge. He was effectively the cutting edge of the surge, and has as much claim to that success as Petraeus. His judgment and report was incredibly well thought through and carefully designed. If we intend to win the war, or campaign, we must take the whole bite, not half of it. I say that with an American political dimension in mind: next November, the mid-term congressional elections will take place. If, by then, we do not see material progress, the collapse in public support for the war, which we already see in both countries, will accelerate and will probably be reflected in the political classes too. In those circumstances, it will be very difficult for America to stay in. Therefore, we must grip the nettle tightly.

On the civil dimension, sometimes when I listen to colleagues talking about schools, hospitals and the like, I feel that they are talking to their own constituents. However, there is no constituency in the country, no matter how poor, that does not look wealthy beyond the dreams of avarice to an ordinary Afghan. The people on the ground in Afghanistan are poor beyond our imagination, and for them poverty is a life-threatening condition, especially for their children and families. Their concerns are having enough food to eat, enough firewood to get them through the winter, a roof over their head and some sort of job. Massive unemployment of a degree we cannot imagine among young men in Afghanistan, particularly in southern Afghanistan, is as much a contributor to the recruiting drive for the Taliban as anything else I can think of.

When we talk of the civil effort, the first, most important and predominant approach should be to the economy of Helmand province and the Pashtun areas. The north of Afghanistan is not doing badly, but the southern part is doing very poorly. If we do not get a

[David Davis]

grip on that, people will die from starvation as much as from any other cause. As the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones) is listening, let me say that I was pleased to hear Brigadier Cowan, the current commander in Helmand, talking about roads and seedcorn projects, because such projects, markets and provision of jobs and incomes are more critical than one can imagine.

My last point is a simple one and is made as constructively as possible. We have talked in the House time and again about Afghanisation, which has become fashionable in the past 12 months. There is no doubt that that is the only route to a stable Afghanistan. I absolutely agreed with the point made by the right hon. Member for Pontypridd about the contrast between Iraq and Afghanistan. Iraq is a much easier country to run than Afghanistan. Iraq has 600,000 security troops; our plans only go up to some 200,000. The American counter-insurgency manual says 600,000, and the deputy commander of the international security assistance force said 600,000 when I spoke to him. That is the minimum number that would create a stable state.

I started by saying that I did not know what a victory looked like. The conditions for withdrawal with honour and with some form of positive conclusion to the campaign are those that leave in place a stable state that will not be perfect, but which can manage its own affairs, which we can deal with and Pakistan can deal with, and which delivers a reasonable prospect of life to Afghan citizens. If we achieve that, the pill will be less bitter than the one our citizens have had to swallow so far.

6.7 pm

Derek Twigg (Halton) (Lab): I agree with the right hon. Member for Haltemprice and Howden (David Davis) about the state in which we must leave Afghanistan. Before I go on, let me pay tribute to our superb armed forces and put on the record my appreciation for what they are doing in Afghanistan, where I went many times when I was a Minister.

I am committed to our presence in Afghanistan, and we must see it through and achieve the sort of outcome described by the right hon. Gentleman. However, given the political debate that has taken place recently, not least in the press, and the increasing casualties and deaths in Afghanistan in the past 12 months that have made the matter more politically difficult, I am concerned that we are not looking at it as we should. We cannot be in Afghanistan in a half-hearted way. There must be 100 per cent. political will from this Government, from all the parties and from our NATO allies to see the matter through to its conclusion. I am concerned about some of the language used in recent months, to which I shall come in a minute.

The right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) was also right—I agreed with most of his speech—that a myth has developed that, because of Afghanistan's history, no one can ever succeed there. Actually, people have succeeded at different times, and there has been stability at different times, but it has always been a difficult place. Why is Afghanistan important, and why has there been so much foreign intervention there over the years? Afghanistan is important because of where it sits in the world. Often, easy points are made by people who do not know all the facts, but who try to manipulate them to fit their own conclusions.

As has been said, NATO cannot afford to lose in Afghanistan—its credibility is on the line. Some people peddle the idea that because al-Qaeda was driven out of Afghanistan into the border areas of Pakistan and the mountains, there is no point in our being in Afghanistan now. Do we think for one moment that al-Qaeda would not come back into Afghanistan if NATO withdrew? The whole border area is difficult in any case, and we cannot have one solution without the other: we must have a solution in Pakistan and a solution in Afghanistan.

The defeat of the insurgents in Pakistan is crucial, because the fundamentalists must not be allowed to win there. That involves great difficulties, because Pakistan has nuclear weapons. I do not know how close the insurgents have come, or could come, to toppling the Pakistan Government, but if they did, it would cause a major problem. What would India's reaction be in such circumstances? There are many other scenarios to be discussed in the context of the importance of Afghanistan, not all of which relate to Pakistan.

I have read a great many books in the past 12 months, some of them better than others. It seems from a book by Colonel Stuart Tootal—a fine officer and soldier—that after we had sent in 3,000 troops, they were sent all over Helmand following demands from the Afghan Government and the governor. What followed was what can only be described as the debacle of Musa Qala. At one point, we very nearly withdrew. I believe that that was due to a number of factors. I am sure that the advice given to Ministers by the chiefs of staff, the Foreign Office and others was that it was necessary at the time, but they probably did not envisage that the troops would be dragged all over Helmand province trying to deal with various outbreaks of insurgency, or anticipate the problems to which those outbreaks led.

The argument that there were not enough troops in the first place is, in my view, unassailable. I have always argued that there ought to be more troops, and we have put more troops in. I want to make what I consider to be an important point about NATO's contribution, and I shall do so shortly, but first I want to deal with stories in the press suggesting that we might withdraw from part of Helmand into the most populated areas. That would be a major mistake. We need boots on the ground. Our troops should be working among the people, providing protection and security and allowing development to take place. The idea that we should do that only in certain areas of Helmand is farcical. I do not see how it could logically be achieved, and I do not know whether it is being seriously considered.

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I was in Musa Qala last week. The bazaar is flourishing and development is taking place, but I was told by both troops and commanders on the ground that the dangerous talk and irresponsible press reporting in this country had been broadcast on Taliban radio within two days. I agree with my hon. Friend that people should guard against making irresponsible comments that can be used on the ground against our troops.

Derek Twigg: I thank my hon. Friend for that information.

I hope that President Obama will indeed decide to put thousands more American troops on the ground, although I think he has been right to take his time in making his decision. However, I should be interested to know whether the Opposition can confirm their position regarding NATO. I have been consistent in criticising some members of NATO for not providing more troops, equipment and other resources in Afghanistan, as has the hon. Member for Woodspring (Dr. Fox). I have heard him do so time and again from the Opposition Front Bench.

According to newspaper reports at the weekend, the Conservatives are saying that we must recognise the constitutional difficulties of some of our NATO allies. The United Kingdom and, perhaps, France could provide an expeditionary force, but the others would be there merely to support us. I do not know whether those reports are true, but if that is Conservative party policy, it is very worrying. We must continue to apply pressure; we cannot be half-hearted. As I said earlier, there must be 100 per cent. commitment from NATO and our allies to ensure that we see this through to the end. We cannot allow people to do little bits here and there. The Taliban will see that as a weakness in any event.

I do not consider it helpful to set a time scale at this stage; we have not travelled far enough down the road to do so. Talk of withdrawal from some areas of Helmand, and of when we will leave Helmand, can only give succour to the Taliban. It will give them the impression that we have real problems and are facing defeat. I cannot see a political reason for such talk. We must be very strong in that regard. We are asking our service personnel to fight and sometimes to die out there, and clearly there will be many casualties. Given what we are asking them to do, they must be 100 per cent. sure that there is 100 per cent. political will to see this through to the end. The comments I have read and heard recently, in the press and elsewhere, are not helpful in that respect.

Mr. David Winnick (Walsall, North) (Lab): I hope to make a speech on this issue if I catch the eye of the occupant of the Chair. Meanwhile, may I ask my hon. Friend whether he is really saying that it does not matter if victory is not secured in the next few years—in another eight, 10 or 15 years?

Derek Twigg: I am not saying that. As my hon. Friend will have heard, some have argued that it will take 30 years, but the fact remains that it will take some time. We know, for instance, that the training of the Afghan army is proceeding better than that of the Afghan police. Many people are having to be trained to take over responsibility for security. How can anyone say at this stage whether that will take a year, two years or three years? We shall have to make the judgment at the appropriate time. If we say that we will be out of there in two, three, four or five years, what does that tell the Taliban? What does it say about our commitment there? The issue is our commitment and the message we are sending to our enemies; we must get that right at the beginning. I am not going to specify a time limit, although I do not want us to be there for 30 years. We must ensure that we complete the project of training the security forces and securing stability in Afghanistan in the correct way.

I should like to hear from Ministers how the training of the Afghan police and armed forces to take over responsibility for security will be paid for in the coming years. The cost, and our contribution, will have to be substantial. We are not talking about just two, three, four or five years. As we have heard, Afghanistan is a very poor country. How could it sustain those arrangements on its own?

We must continue to maintain 100 per cent. political commitment to Afghanistan, to ensuring that our NATO allies contribute more, and to dealing with corruption, which is particularly important. I hope that President Karzai will be true to his word, but I suspect that the task will be much more difficult than we expect. We must deal with it on both the national and the local level. We need a proper system of justice so that people need not seek justice from the Taliban.

There should be no illusions that there will be a western-style democracy. I cannot believe that anyone seriously imagines that that is possible, and we should not give the impression that it is. What is needed is a system that takes account of tribal and ethnic issues, and as I have said, security is key to that. The Under-Secretary of State for Defence, my hon. Friend the Member for North Durham (Mr. Jones), mentioned events in Musa Qala. We need security so that the Afghan people can see that we are making a difference to their lives—for instance, in schools and hospitals.

I recall visiting a hospital in Lashkar Gah—if it could be called a hospital; it was just an old building containing one or two bits of equipment. There was a long queue of people who were trying to be seen, and doctors and nurses were desperate for equipment and support. We must do more, whether it is building more bridges, building better housing or providing more commerce and business. That must be part and parcel of what we are doing in military terms as well.

We must also try to understand the tribal system better and bring more of the elders on board. We should work with tribes and elders in the villages and elsewhere. I am not in favour of the argument that we should pay ex-Taliban fighters to do our work for us or with us. We may be able to bring some over to our side, but I am not sure that there can be a wholesale policy at this stage. However, I have not been in Afghanistan for more than a year, so I could be mistaken.

If we are to talk of reconciliation, we should do so only from a position of strength. The same applies to the Afghans. I referred earlier to the danger that the insurgents would see our weakness if we spoke the language that I have sometimes heard spoken about reconciliation. Of course reconciliation will be necessary—there is a history of reconciliation in the case of all insurgencies—but it must take place from a position of strength, and must involve the Afghans themselves.

I recently spoke to a mother who was very proud of her son and what he was doing out in Afghanistan. He believes he is making a real difference there, and she does as well. She believes it is a cause worth fighting for. However, she also mentioned the political and press debates about the undermining of the morale of our service personnel in Afghanistan, and the support that they need. They believe they are doing a job out there, and we must give them wholesale political commitment.

[Derek Twigg]

The job will be difficult, and it will be absolutely tragic for those who lose their lives, for their families and for the casualties who are wounded, many of them seriously. However, I come back to my earlier point: we must look at all these issues, but we must make decisions based on what is in the interests of our national security and of western security, and, of course, on what is in the interests of the people of Afghanistan. They must also be based on the Pakistan security issue and the consequences of that going wrong. We must make the point time after time that this is about stopping terrorist groups such as al-Qaeda getting back into Afghanistan or getting a base. It is about maintaining security there, and preventing Pakistan from going to the insurgents and their being given a chance to get into power there.

There is a further point, too, which seems to have been lost. We said at the outset, back in 2006, that we were in Afghanistan in part because of the poppy and heroin. That is a major problem, and we should not shy away from the fact that we said that. It is part of the process as well; after all, 90 per cent. of the heroin that ends up here comes from Afghanistan.

Our aims must be to build a stable, more secure Afghanistan, to provide security, to allow the country to develop and to make sure we train up its armed forces and police; that is key to our future there. However, in order to ensure success in Afghanistan, we must have 100 per cent. political will to see this through, and we must make sure that our armed forces, who are sacrificing their lives, see that political will. We must also make sure there are enough troops and service personnel out there. We must have boots on the ground in order to make sure that development and security come about.

6.21 pm

Mr. John Maples (Stratford-on-Avon) (Con): We have heard some interesting speeches on Afghanistan. The hon. Member for Halton (Derek Twigg) and the right hon. Member for Pontypridd (Dr. Howells) looked at the same facts and came to rather different conclusions. The problem I have with the right hon. Gentleman's analysis is that we cannot act unilaterally. We went in there with the United States, and we have to come out with them; we cannot conduct a unilateral withdrawal. The problem I have with the analysis of the hon. Member for Halton is that it does not acknowledge that it is our very presence that has focused, if not caused, the insurgency. That is a big factor. We have succeeded in uniting against us most of the Afghan insurgency, as we did in Iraq. I do not want to discuss Afghanistan, however, although I have a few words to say about it. Instead, I want to talk about the conduct of foreign policy over the last 12 years and how it will change if my party wins the next general election, because some serious and fundamental errors have been made.

When Robin Cook became Foreign Secretary, he made a speech about setting out what he called an ethical foreign policy, as though, somehow, previous foreign policy had not been ethical. There was also talk about being a force for good in the world. I think this has led us into making some serious errors—unintentionally, and in many ways with the best intentions, it has led us into error.

In many respects, this is a rerun of the old argument about whether one should promote one's interests or one's values in foreign policy. I think the answer is both, but values certainly seem to have taken the upper hand over the last 12 years. They have led to a series of errors. I want to comment on two of them, one of which is merely irritating, but the other one of which is dangerous.

The irritating error is the predilection of the current Foreign Secretary and his predecessors for gratuitous moralising about what goes on in other countries where we have no influence and no interest. We get this the whole time; certain other countries get almost daily lectures from the Foreign Secretary about how they ought to conduct their affairs. He does it in an arrogant and patronising way, too. He has said,

"we want to see…Russia on a different course",

and that he has have been talking to President Assad

"for over 18 months…about his responsibilities in the region".

How does the Foreign Secretary think that sounds to those countries, and in what way does it possibly promote our interests? This reached its ridiculous conclusion in his comments on Sri Lanka. He criticised its Government—who were finally coming to grips with the Tamil terrorists and the insurgency—and then, when the Tamils expected some support, he gave them none and we ended up with a huge demonstration in Parliament square. We had no dog in that fight; we had no interest and absolutely no influence. What was the point of that gratuitous comment?

That approach comes from people assuming they have somehow taken the moral high ground because they have asserted it, and they are therefore entitled to tell other people how they think they ought to conduct their affairs. I think foreign policy is about something different, however: if we have an interest we pursue it, and if we have the power to affect an outcome, we use it, but we do not make gratuitous comments, particularly from a moral point of view, about what other people do if we do not have either that interest or that power.

How would we react if President Assad started making comments on our fiscal irresponsibility over the last few years, or the Chinese President criticised us over our rather weak financial regulation? We would be pretty unhappy about it, and I think the press and Members in all parts of this House would unite in opposition to such criticism. Such comment sounds arrogant, and if a first-world country directs it at a third-world country, it does not just sound arrogant, it sounds neo-imperialist as well. When my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) becomes Foreign Secretary—which I very much hope he will in a few months' time—I hope he will resist the temptation to comment, particularly from a moral point of view, on issues over which we have no influence and little, or no, interest.

That is merely the irritating aspect of this so-called ethical foreign policy, however; the dangerous bit is the predilection for intervention. That has been a growing tendency, and it seems to me that no lessons have been learned from one such episode to the next. That is, of course, where ethical foreign policy, or a moral crusade, leads—military intervention. We had a little bit of success in Sierra Leone, and I think that whetted the appetite. That episode involved a gang of essentially armed robbers trying to take over a west African country,

and that might be about the extent of what we can take care of by ourselves. We watched the United States' success in Bosnia, but there was a very specific objective—to get the Serbs to the negotiating table in Dayton—and force was used to achieve that. Our first adventure was therefore Kosovo. That war was probably illegal; there was certainly no United Nations Security Council cover for it—we did not even try to get it, because we knew we could not. I think we were very lucky in Kosovo. We were on the verge of having to invade—of having to send our Army in—and I do not know what the result would have been. One day, I would love to know what Martti Ahtisaari and Viktor Chernomyrdin said to Milosevic that made him back down over Kosovo, but I think we ought to thank God that they did what they did, because otherwise we would have ended up in the kind of mess that we have ended up in in other places where we have intervened. It is so easy to start these things, and so difficult to see where they will go.

We then went into Iraq, which exposed the dubious legality of our actions—by implication there was the need to revive a previous UN Security Council resolution. We also then found that the grounds for the war—the weapons of mass destruction—not only did not exist, but the method by which the Government had come to their conclusions was cruelly exposed to the light of day by the Foreign Affairs Committee, on which I served at the time, and subsequently by other inquiries. We were, at best, misled, and intelligence was manipulated to political ends that seemed to me to justify decisions that had already been taken. Both we and the Americans had initial military success in Iraq. We were welcomed as liberators, but it was not long before we were being targeted as invaders by nationalist groups of one sort or another. I believe that the entire mission conducted by us and the Americans in Iraq acted as both a recruiting sergeant and a training ground for al-Qaeda and its terrorists. They were not in Iraq before, and it certainly gave them a lot of practice. It also gave them something by which to recruit people to its cause—the idea that a western army was on Islamic soil. We should have learned the lessons from that before we went into Afghanistan again in 2006. Whatever success we had in Iraq—the right hon. Member for Cynon Valley (Ann Clwyd) set that out—has to be set against the fact that we have left the region less stable than it was, and that the big winner is Iran, which now does not have a stable, strong country on its western border to act as its counterweight. We are now dealing, at least in part, with the consequences of that, in a much more assertive and much stronger Iran, because it knows that there is nobody in the region who can take it on and stop it.

After Iraq, we went to phase two in Afghanistan. We had cleared the Taliban out in 2001-02, but in 2006 we went back in. Almost as an afterthought, we went into Helmand, and the then Defence Secretary said it was to protect the provincial reconstruction teams. We sent in 3,000 troops and he rather optimistically hoped they would come out without a shot being fired; that is obviously what he thought would happen, too, although he now says that is not so. The reason given for that action was to protect the provincial reconstruction teams, but the Prime Minister said that a large part of our mission was to stop the heroin trade—the hon. Member for Halton also referred to that. In answer to a question from me, the deputy leader of the Labour party, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), said recently that girls' education was a crucial ingredient in our mission. The Prime Minister has talked about building a democratic state. This is not mission creep; it is mission gallop. We went in there to protect an aid effort; we have ended up trying to build a democratic state.

I now see that our objectives have reduced to training up the Afghan security forces so they can support the Government. The decision to reduce our objectives is, I suppose, one way of getting our capabilities and objectives into line. However, we never had a clear objective, and our presence there has fuelled the insurgency; I have just made that point. It is our very presence as foreigners that has united the various forces in the Afghan opposition against us. They do not like foreigners on their soil, and I dare say we would not like them very much on ours. We should have cleared the Taliban out and then pursued a different strategy. We are there now and it is not that easy just to leave, but we should recognise that our presence produces and fuels the insurgency.

The biggest and most misleading of all the reasons given for our being in Afghanistan is that it makes the streets of Britain safe—it palpably does not. There were serious bombings here in 2005, most of which originated either here or in Pakistan, not in Afghanistan. The idea that al-Qaeda has no place to go aside from Afghanistan is nonsense, because there are masses of failed or semi-failed states around, some of which have been mentioned. Those that have not are in the Islamic part of north Africa—in Mali, in Mauritania and in the southern bits of some of the other countries there, which are not really under the control of their Governments. Al-Qaeda is already operating in those places and it has plenty of places to go to if we deny it Afghanistan. If we want to stop al-Qaeda bombing people on the streets of Britain, we have to do so with our own security and intelligence forces, not by fighting foreign wars, which are as likely to stir al-Qaeda up as deter it.

In no way do I intend to detract from the fantastic performance that our Army and military have put in. One could not read "A Million Bullets", as I have done, without being incredibly impressed at what these people have been doing. However, one had to ask at the end: what has been achieved by all that incredible bravery and loss of life? It was difficult to see that much had been sustained. What has been lacking is a clear political objective. If we had had one, we might have been able to put behind it the clear political support for which the hon. Member for Halton was calling. In times of economic hardship, it is also worth reflecting on how much this has cost. It has cost £12 billion and it is costing £3.5 billion a year, but the cost is not just the treasure—it is also the blood. Every Wednesday, we are reminded of the cost of this action in human life.

I am glad that President Obama is giving serious thought to what our mission should be and what resources we need to accomplish it, but I hope that those two things are matched up. I say that because one of the things that flows out of all these interventions is that they increase instability; we become the target by being in these places and we fuel terror and al-Qaeda, acting as a recruiting sergeant while these places act as a training ground for it. This is a bad precedent to set. We may think that it is good for us, but when Chinese marines invade the Philippines or—dare I say this—the Gulf, in pursuit of what they see as a humanitarian mission, we will regret inventing it

[Mr. John Maples]

I hope that we will see an end to gratuitous moralising in the conduct of foreign policy in the next few years—I hope that will start at some point this spring. I hope that we will see intervention only when it can be quick and successful or where it is clearly and essentially in our national interest. I hope that we will stop seeing foreign policy, as we have so often seen it with Labour Foreign Secretaries, as some sort of reality TV show in which the Foreign Secretary of the day has to give his view on everything, irrespective of whether it is our business, and struts his stuff on the world stage, looking good and lecturing others. Foreign policy is about the long-term protection and enhancement of the United Kingdom's interests. Sometimes that will involve the promotion of democracy, but more often it will, and should be, about achieving stability.

6.33 pm

Mr. David Winnick (Walsall, North) (Lab): It is on the latter remarks about Afghanistan where I agree with the hon. Member for Stratford-on-Avon (Mr. Maples), because I have considerable doubts about our military presence here and how long British troops should be involved. However, as he said, none of that should in any way question the bravery of the troops, and again I pay tribute, as I did during a recent Prime Minister's Question Time, to the memory of those who have died in action and to those who have been seriously injured.

The decision, taken with other NATO powers, to engage in Afghanistan in 2001 was justified and I supported it. I cannot recall whether a vote took place on it, but I would certainly have voted in favour on any such vote. The Taliban refused to expel al-Qaeda following 9/11; they were given time to do so, but they refused and that was why military action started. I am not sure whether the hon. Gentleman took the view that I did at the time. There can also be no doubt as to the sheer brutality of Taliban rule, although that was not the reason for the invasion. The right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) was right to say that we did not go into Afghanistan because of the brutality of Taliban rule or drugs and so on; we went in for the reasons that I have just stated. In so far as the NATO presence has changed certain things for the better, for example, with the reopening of schools where women can be educated and the ending of barbaric practices carried out by the Taliban, that is obviously all to be welcomed. Nevertheless, the reason for the military intervention should not be forgotten because it is the basis for the justification for our being there; it arose from 9/11 and what was seen as the acute danger to our country, as well as to other NATO states.

That was eight years ago and it is perfectly understandable, given the casualties that occur week in, week out, that Afghanistan should so dominate today's debate. Eight years is a long time—the first world war lasted four years and the second world war lasted six years—which is why I asked my hon. Friend the Member for Halton (Derek Twigg), a former Defence Minister, about his comment about there being no time limit. Some of the contributions that we have heard today would give the impression that this began only recently—one, two or three years ago—whereas it began eight years ago. The question then arises, as it should do: how much longer will this go on? It is all very well to say that there should be no time limit, but are we to work on the basis that another eight years should elapse and so many more should die? Why pick eight years? Why not operate on the basis of even longer, given that there appears to be no time limit of any kind? General Richards, who is now the Chief of the General Staff, said in August that

"the whole process"—

in Afghanistan—

"might take as long as 30 to 40 years".

He did not say that the troop involvement should be of that duration, mentioning 2014 as a possible date for the ending of the British military intervention. Two years ago, the then commander of the UK forces in Helmand province was talking about British forces remaining there for more than 30 years.

There is undoubtedly much public concern and anxiety at the number of casualties and young lives being lost, but this is not simply about that. In 1979, 18 soldiers were killed by IRA vehicle bombs at Warrenpoint and although the reaction in this country was obviously one of deep anger, nobody suggested that because of the 18 that were murdered then or the others who had been murdered on other occasions we should leave Northern Ireland. It was clearly understood what the position was: there could be no question of Britain being forced out of Northern Ireland by terrorism. However, as the hon. Member for Stratford-on-Avon and others have said, questions are inevitably being asked about whether it is possible to achieve victory in Afghanistan and what sort of victory could be achieved. The right hon. Member for Richmond, Yorks (Mr. Hague) said that when we talk of victory—this is more or less a summary of what he said—we are not talking about what happened at the end of the second world war. So what is "victory" in Afghanistan? How long will it be before such a victory takes place, if one is at all possible?

The constant position of the Government and of the Opposition parties is, as has been set out today, that if we are not fighting in Afghanistan, we will be fighting on the streets of Britain—either we fight terrorism there or here. Although there is a question as to what we mean by "victory", let us suppose—this is very much a supposition—that the Taliban were so decisively defeated that they would be unable to make a comeback in years. Would we in Britain really then feel that much safer from terrorism? Would we let our guard down? Would we feel that the various measures taken to protect us from international terrorism would no longer be necessary because the Taliban had been defeated in Afghanistan? I simply do not accept the argument that this is a question of fighting either in Afghanistan or on the streets of Britain. There is so much concern among the public, as I have said, not only because of the casualties but because of the refusal of many people to understand why we should continue to stay in Afghanistan for such a long time.

As far as al-Qaeda is concerned, as others have said, if Afghanistan is closed to that organisation—the international terrorist network—will it close down? Are there not many other places around the globe, as we now know, where it can and does operate? It is very important to make a distinction between the Taliban,

however deplorable their position and their rule, and the international terrorist network. They are not one and the same, and we should not confuse the two.

Neither should we forget that the Taliban have numerous enemies inside Afghanistan. It is not simply a matter of the Taliban and NATO forces. When the Taliban were in power, they had many internal enemies, including rival warlords of various kinds. May I also say that those warlords do not seem to have a particularly distinguished record when it comes to human rights?

There is the danger that the Taliban will be seen in Afghanistan—a very poor country where many millions of people are desperate to secure a living—as having the legitimacy of fighting off the foreign intervention. They might be seen as the force fighting the infidels. It is interesting to note that the former high commissioner to Pakistan, Sir Nicholas Barrington, wrote to *The Times* that opinion formers in Pakistan, who are obviously very much opposed to the Taliban—even more so considering what the Taliban are doing in that country—are very critical of NATO action in Afghanistan. They believe that it is giving ammunition and legitimacy, however wrongly, to the Taliban as the patriotic force fighting the foreign intervention and invasion. We should not forget for one moment that the loss of civilian lives in Afghanistan gives ammunition to the Taliban, which they use. These people have been killed by the NATO action, which gives much political capital to the Taliban.

I am not in favour of immediate withdrawal. To those who challenge us today, saying, "Do you want to leave immediately?" I want to say that that is not my position. I do not believe that it would be the right approach. We recognise that we are one of the forces and one of the partners in NATO. Simply pulling out immediately or in the next few months would not, in my view, be wise. However, it is necessary to be clear in our minds that our intervention and presence in Afghanistan cannot be open-ended. That is why I believe that it is right to debate the issue. I am against extra troops going in—when the Prime Minister made that announcement, I made it clear that I am opposed to that and that if there were a vote on the issue of whether more troops should be sent, I would vote against such a move.

Let me conclude on this note. It is right, of course, for us to debate the issue. No doubt there will be many more debates. However, it is also important that in the near future—perhaps before this Parliament comes to a close—there should be a vote. I do not know at this stage what sort of motion or amendment that vote should be on, but I believe that it is necessary that we should not simply carry on on the basis of what we agreed to eight years ago. We should take a vote on how long we should be in Afghanistan and the House of Commons should make a decision once again, one way or the other. We should not simply continue as we are at the moment, with mounting casualties and public anxiety. Not only the public but many of us in the House of Commons are beginning to question whether what we are doing in Afghanistan serves any useful purpose in fighting international terrorism.

6.44 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): Like the hon. Member for Walsall, North (Mr. Winnick), I want to concentrate on the war in Afghanistan—not only is it casting a long shadow over this debate, but it has cast a long shadow over this decade.

We have heard a range of views expressed this afternoon. Some, from my perspective, were a good deal less compelling than those of the hon. Member for Walsall, North. I was incredibly surprised to hear the right hon. Member for Haltemprice and Howden (David Davis) suggest that even if there were a 10 or 20 per cent. chance of success—even if we were convinced that there was an 80 or 90 per cent. chance of failure—we should still stay the course and send British servicemen and women into danger's way. That is the kind of military logic that we have not heard since the charge of the Light Brigade. It is irresponsible for us to put other people's lives at stake if we believe that this might all end in failure.

There are a range of views. My party would prefer to end the war, rather than extend it. However, it is vital that, whatever our views, we should have proper parliamentary accountability on the issue. The hon. Member for Walsall, North made the point that in this war, which has lasted eight years—one of the longest that we have ever had—we have never once had a vote on a substantive motion. We speak tonight on the eve of the Chilcot inquiry. One of the many scars that have been left by the Iraq war is the scar on public trust and confidence in the political process. There was an accountability gap, as public opinion was so clearly opposed to the war but unfortunately that was not reflected in the decisions made in this House. At least we had a vote on the Iraq war, however.

Up to 70 per cent. of the people of this country oppose the continuation of military involvement in Afghanistan, yet we cannot even have a commitment from the Government—unless the Minister is prepared to give it tonight in his winding-up speech—that we will have an opportunity before the general election for the Government to present their strategy, for the Opposition parties to set out their stalls and for the range of alternatives that we have heard in speeches this afternoon to be put to a vote in the House. Surely the people of this country deserve that, and the servicemen and women who are fighting in Afghanistan deserve to know that there has been proper accountability on this issue, which for them is a matter of life or death.

We have seen a range of different objectives—mission creep was mentioned earlier. We have ended up in a position where it would appear that the Government—I say "appear" because we have not had a succinct presentation of their strategy—have narrowed their objective to the idea of a stable, terrorist-free Afghanistan that does not threaten its neighbours.

The problem with the means which the Government suggest we use to arrive at that objective is that it could create its own problems and is not sustainable, as other Members have said. The emphasis is on building up the Afghan national army and bolstering the Afghan state. We are committed to building up the army to 134,000 and the police force to 80,000. The Afghan Defence Minister and some in the United States have suggested that the Afghan security forces have to be increased to 450,000. That would make Afghanistan the most militarised country in the world, with one in every 32 men in the armed forces. It would cost $2 billion to $3 billion a year to maintain, which is about five times the annual revenue of the Government of Afghanistan. Are we really saying that we shall support that level of Afghan

[Adam Price]

militarisation for the best part of half a century? If that is the Government's only strategy, it is unfortunately doomed to fail.

Never mind spreading liberal democracy around the world—we are spreading illiberal democracy around the world. Even if the strategy of training up the Afghan national army is a success—though there are real questions about that—we are creating the most centralised and militarised country in the world. The Afghan constitution is completely inappropriate for a country of that kind; it is a most centralised constitution, which places almost all power in the hands of one man—the President. We now know that he is deeply corrupt, yet we ask why a patronage state has developed around him.

Afghanistan is divided among 20 major ethnic groups. Within each ethnic group, there are tribes. In each tribe there are different clans, and within each clan there are different sections, yet we have concentrated power in the hands of one man but still ask why he has distributed it among his friends and family. We needed a totally different political strategy.

We can already see the effects. Afghanistan is an authoritarian military state. The independent Afghan human rights commission said—I hope the Minister is listening:

"Torture and other cruel, inhuman or degrading treatment is common in the majority of law-enforcement institutions",

which we are propping up, and

"98.5% of interviewed victims have been tortured. Institutions where torture has occurred include the police, the prosecutor's office, the security services, detention centres, prison and the army."

Clearly the political strategy is not working. The Government have to address serious issues relating to the strategy of arming the Afghan national army to the level that is projected, and concentrating power in the hands of one man. Is that really the objective we want to achieve?

There is a strong argument that at some point—whether it is in 18 months, or whatever the time scale—we need to bring the military mission to a close. That does not mean that we withdraw in every sense from our responsibilities to the people of Afghanistan. We need an alternative strategy.

Incidentally, I do not buy the argument about safe havens—that terrorist groups are to be found in failed states. That is sometimes the case, but sometimes it is not. Terrorist groups can be found in robust, well established states, such as Pakistan where al-Qaeda is now. Nor do I accept the argument that withdrawal from Afghanistan would necessarily destabilise Pakistan. I would turn that on its head: the presence of western forces in Afghanistan provides a propaganda tool for the Pakistan Taliban. That is what is destabilising Pakistan. During the Taliban regime, between 1996 and 2001, there was no destabilising effect on Pakistan. In fact, the ISI—the Inter-Services Intelligence—and the Pakistani Taliban worked in conjunction, as some people suggest they still do. That argument does not hold water.

We need a different strategy. Other possibilities are being canvassed. We need discussions with the Taliban leadership, and not just locally: we need to speak to the shura based in Quetta, as has been suggested. The Afghan Government are about to commence negotiations with Gulbuddin Hekmatyar, who is part of the insurgency. If it is responsible to talk to Hekmatyar, why can we not talk to the Taliban leadership as well?

A new Loya Jirga should be convened to draw up a new decentralised constitution for Afghanistan, which would properly distribute power equally among the different ethnic and regional groups, away from the hands of a corrupt President, so that people across Afghanistan could feel they had a real political stake in the future of their country, as the Foreign Secretary said. As has been suggested, that settlement could be underwritten by regional superpowers and Afghanistan's neighbours. Lastly, foreign aid could be rechannelled, away from the military mission, in return for continued local co-operation on counter-terrorism and reconstruction efforts.

Members may disagree with the strategy I have presented—it is called democracy—but we desperately need the Government to present their strategy so that its success can be measured and tested over time. Other Members should present their strategy, and we should have a parliamentary vote so that those fighting in our name in Afghanistan at least know that a proper democratic process has been followed in this country.

6.56 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I very much want to continue the debate where the hon. Member for Stratford-on-Avon (Mr. Maples) left off, rather than focusing on Afghanistan as many Members are doing. Without ignoring Afghanistan completely, I want to look at our foreign policy both over the last 12 months and in the coming years. Whoever forms the next Government, they will have to take a serious look at the role of Britain in the world, and the way we see ourselves as a global power will define what we do.

That involves, first of all, how we see our role in the United Nations. A few weeks ago, when the Foreign Affairs Committee went to New York and then to the Pentagon, it was noticeable that when we talked about Iran a language started to develop. On the one hand, we talked about the P3, meaning Russia, China and the United States, and then we talked about the EU3—France, Britain and Germany. It was a reflection of the fact that France and Britain have not exercised their veto in the P5—I think for the past 20 years. It also raised the issue of what to do about Germany, which is a significant power but does not have a seat on the Security Council. Reforms of the Security Council seem to be far off. We are a nuclear power and we need to decide where we see ourselves both in the UN and in relation to the European Union.

I will not pretend that I think what happened in the EU last week was a particularly edifying spectacle. The Herman and Cathy show may turn out to be the equivalent of Cousin Itt and Uncle Fester, or Gomez and Morticia—it certainly looks as though the Addams family are running Europe at the moment. Perhaps they will prove us all wrong. I certainly know that anybody who thinks that Cathy Ashton is an easy person to overrule will learn otherwise. However, given that it was supposed to be a significant step in the EU's establishing itself in the global world, I very much doubt whether those

appointments were a good way of going about it. More will be said about the EU a week on Thursday, when we are to have an Adjournment debate on European affairs.

I want to talk about our NATO partners and our foreign policy, but not just in relation to Afghanistan. We have just been celebrating 20 years of German reunification. I have certainly not been reluctant to criticise Germany about its military engagement. However, it may be worth reminding ourselves occasionally of what the world looks like from the standpoint of the German Government.

For the last 20 years, for the first time in the entire history of Germany, the country's boundaries were concurrent with the notion of its ethnicity. To be German, and to be perceived as German, was concurrent with the boundaries of Germany, which had never happened before. Germany has 10 neighbours and all of them are peaceful—again, for the first time in its entire history. The economy is going relatively well, too, so why pick a fight? Germany thus often looks at how both Britain and France deploy their troops in a quite aggressive way. Not only does Germany wish to be peaceful, but the current generation of politicians have become genuinely pacifist in their approach to the world. They will try to use soft power, rather than what they call hard power. If they were to use hard power, they would want to do so wearing not German uniforms but European Union uniforms. That is not Britain's approach, but we need to understand where they are coming from, and developments in the EU have not changed their ways. If we want to be a serious player in the EU, we need to accept that.

I now want to move on to something that has not been mentioned today. During the debate on the Queen's Speech, we will not have a special debate on international development, but when we talk about the Foreign and Commonwealth Office and defence, we cannot ignore the role of the Department for International Development. Frankly, when we arrive in some places in the world and see a plaque saying that a certain bit of the embassy was opened by the Secretary of State for Foreign and Commonwealth Affairs and then go to an even bigger office that was opened by the Secretary of State for International Development, we realise that the FCO has a smaller budget than DFID. There is a slight suspicion that we have two foreign policies and doubt about who is running the show. That is not entirely true wherever we go, though. If we go to Helmand, we now find that what is called the senior representative—Hugh Powell—is bringing together what the MOD, the FCO and DFID do, but that does not necessarily happen in the entire world.

I want briefly to deal with international development, which is not usually in my remit as a member of the Foreign Affairs Committee. Christian Aid staff in the west midlands came to see me to bring to my attention a campaign and its report called "Death and taxes: the true toll of tax dodging". Essentially, it argues that taxation policy and the profits and tax policy of international companies in the developing world are deeply damaging developing countries. If we worked together and brought much greater accountability to the way that multinational companies deliver their taxation, we would help not only ourselves but many developing countries to move out of dependency to a degree of independence.

Christian Aid estimates, for example, that developing countries lose about $160 billion because corporate taxes are dodged by what it calls transfer mispricing or false invoicing. It wants international accountancy standards that require multinational companies to report on their activities on a country-by-country basis, as that would clearly identify where profits are made and where tax should be paid. If the tax was not paid, revenue authorities could therefore target their resources on companies that might be avoiding or evading their tax obligations. At the moment, because we do not do that, companies can shift their profits from developing countries to tax havens and jurisdictions where tax rates are lower.

We ought to work together much more to develop the International Accounting Standards Board, because it contains the people who make the recommendations for legal practice in more than 100 countries, but what can we do here in the UK? The Government can do something; but, much more importantly, we can work with the big four accountancy firms—KPMG, PricewaterhouseCoopers, Deloitte, and Ernst and Young—because they have an extraordinary influence on that kind of governance, without the accountability that we as politicians would sometimes expect. In this context, we need to work with the European Commission. That matters for reasons of corporate social responsibility, corporate responsibility and trade.

About 60 per cent. of the world's trade is done on a country-to-country basis, but it is accounted for by international companies, so we cannot trace 60 per cent. of the world's trade on a country-to-country basis because the multinationals control it. Whether in Afghanistan or any other country, once we get proper accountability and proper taxation, we can eradicate corruption, achieve transparency and help countries to become less dependent and get the benefits of their own wealth.

The UK Government supported such an initiative at the G20 in Berlin last June, and I very much hope that we will continue to fight that battle. Of course, we in the UK could do something fairly quickly about international tax evasion. I suggest to Ministers that, first, we should require all British nationals to file a UK tax return. Any British national paying a lower rate of tax abroad should be required to pay the Exchequer the difference between that rate and the UK tax rate. The argument for that is very simply that anyone born in this country who continues to carry a British passport and has benefited from either a British education or the health system should pay a contribution to the UK.

I wonder whether Lord Ashcroft would support my suggestion, as I understand that he still refuses to tell us whether he pays UK taxes. That also makes me rather surprised about why the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), in a rather uncharacteristic and ungenerous comment, criticised the Chairman of the Foreign Affairs Committee for devoting a significant part of his speech to the Turks and Caicos Islands. The Foreign Affairs Committee has managed to bring about extraordinary changes in the governance of the Turks and Caicos Islands as a result of its report, but the right hon. and learned Gentleman thought it inappropriate for its Chairman to spend so much time on that. I am sure that the fact *The Independent* reported on 19 November "Exclusive: Ashcroft's bank

[Ms Gisela Stuart]

lent millions to disgraced premier" of the Turks and Caicos Islands had absolutely nothing to do with that whatsoever.

If we want to build democracies and if Opposition Members, who now look rather sneering, want to form the next Government and if they want to criticise this Government's ethical foreign policy, their conduct will be just as important as the conduct we expect from the countries we work with. I look forward to the Opposition's response as much as I look forward to the response from the Government.

7.7 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): It is normally a pleasure to follow in the footsteps of the hon. Member for Birmingham, Edgbaston (Ms Stuart), who is my Foreign Affairs Committee colleague. Her remarks at the end slightly tarnished a rather good speech.

Many hon. Members who have spoken tonight have quite rightly used Afghanistan as the subject of their main comments, and the number of contributions underlines the fact that a full debate on Afghanistan in the House is long overdue. For my part, I should like to restrict my comments to the current situation in the middle east.

Recent developments have shown the fragility of the middle east peace process, and negotiations have indeed stalled in recent months, although achieving a lasting peace in the middle east has become no less urgent. It is paramount that the peace process gets back on track. It seems to be derailing on both the Israeli and Palestinian sides, and both are now threatening to take unilateral action to achieve their individual ends.

Only last week, it was revealed that some in the Palestinian leadership were allegedly planning to resurrect an idea, dating back to 1988, of an independent Palestinian state based on 1967 boundaries through a resolution in the UN Security Council. That immediately led to retaliation on the part of some Israeli Ministers who said that the annexation of parts of the west bank would follow any such action by the Palestinians.

I am sure that hon. Members would agree that the spiralling animosity and belligerence on that issue cannot be allowed to deteriorate still further. A lasting peace can be achieved only through dialogue, co-operation and mutual concessions. While the blame game is no doubt very fashionable, we should not allow the responsibility for the current impasse to be laid at any particular door.

Given the Israeli response in Gaza and the election of a right-wing Government in that country, there seems to be a growing tendency to blame the stalling on Israeli intransigence, but repeated statements even now from its Government and Prime Minister Netanyahu are indeed to work towards a final settlement. In the context of that position, I would like to take this opportunity to highlight some of the progress that has been made, which we, as members of the Foreign Affairs Committee, saw on the west bank.

As the Committee noted in our report on Israel and the occupied Palestinian territories earlier this year, the Palestinian Authority Government, under Prime Minister Salam Fayyad—who, I have to say, greatly impressed the Committee on the occasion that we met him—has shown improved capacity to deliver increased security and manage the Authority's economy and public finances. Those of us on the Committee who toured the west bank did indeed see a very significant improvement in the security presence on the streets of cities such as Jenin, Nablus and Ramallah. We saw in those places a very enlarged Palestinian security force.

At the same time, we must not overlook Israel's commitment to securing a viable Palestinian neighbour. In lieu of political talks, Israel's bottom-up approach to peace has been reasonably successful and resulted in some significant economic and security improvements in the west bank. For example, the number of manned roadblocks in the west bank has been reduced from 35 to 10 in the last few months, improving the freedom of movement and reducing travel time for hundreds of thousands of Palestinians. They can now travel throughout most of the northern west bank without encountering security checks. Such positive measures have earned recognition by the United Nations Office for the Co-ordination of Humanitarian Affairs. The Quartet also recently took note of Israel's positive actions.

Israel has also facilitated the transfer of a substantial quantity of arms to the Palestinian Authority, including 900 rifles, 1 million bullets and logistical equipment, including surveillance and communication gear.

As for economic improvements, the strengthened security in the west bank and the virtual disappearance of suicide bombings has resulted in a boom in the Palestinian tourism industry. For instance, the city of Bethlehem welcomed 1 million tourists last year, an increase of nearly 100 per cent. on the previous year. That boom in tourism has generated an estimated 6,000 new jobs in Bethlehem alone. Among noted improvements cited by the International Monetary Fund and other financial observers over the last 12 months are an 18 per cent. increase in the local stock exchange and an 82 per cent. rise in trade with Israel. Improved security and greater access has therefore led to a doubling of the foreign investment in west bank infrastructure, creating jobs and improving living conditions.

It is important that we recognise the very positive steps taken by Israel. The security and economic improvements in the west bank are testament to the commitment by Israel, albeit at the moment on a rather modest scale, to creating a viable and prosperous Palestinian state.

However, a recent and potentially very serious development was the announcement by the Palestinian President, Mahmoud Abbas, on 5 November that, after five years in power, he does not intend to seek re-election in January's poll. Whether Abbas will really stand down is uncertain. He has threatened to do so several times before. Most likely, this is just a protest against the recent apparent U-turn by the US over Israeli settlements. Even after President Obama's stated intention on taking office to give priority to negotiating an end to the Israeli-Palestinian conflict, followed up by his long-awaited speech in Cairo seven months ago, peace today looks further away than ever.

The impression is that Prime Minister Netanyahu outsmarted the President on his recent visit to Washington and managed to water down Obama's previous pre-condition for talks of a freeze in settlement expansion.

Now, although Secretary of State Clinton speaks of the Israeli offer of restrictions in new settlement building as "unprecedented", the Israelis are still going ahead with the construction of 900 new homes at Gilo in East Jerusalem. It would be interesting to know where the Government stand on that recent development. Are they still adamant about a freeze on settlement construction, or do they also consider the offer as "unprecedented" and the basis to reopen talks?

President Abbas is already facing unpopularity and criticism at home for what sceptics call his acquiescence to the US without getting anything in return. The Palestinians are looking increasingly divided and leaderless, something that will only be exacerbated should Abbas make good on his threat to stand down. Hamas is, of course, expected to benefit from the fallout. What assessment have the Government made of the possible effect of a change of Palestinian leadership on the west bank? Are the Government concerned that the west bank may turn into another Gaza strip, where the Hamas takeover has turned the area into one controlled by terror and oppression?

Recent polls highlight the increasing unpopularity of President Abbas. In a poll released recently, Abbas would run neck and neck with the Hamas leader, Ismail Haniya, if presidential elections were held now. According to the poll, Abbas would receive 16.8 per cent. of the vote, compared with 16 per cent. for Haniya. The drop in Abbas's popularity did not, however, carry over into his Fatah party, which would still receive 40 per cent of the vote in elections, compared with 18.7 per cent. for Hamas. Some 23.5 per cent. of the respondents said that they do not intend to vote in the election in any event. Although people would not necessarily switch to Hamas, the poll shows that many are frustrated with the stalling peace negotiations.

Regardless of whether Abbas will stand down, Hamas has already declared that it will not take part in the elections scheduled for 25 January, and because Hamas is in control of Gaza, Fatah would be able to campaign only in the west bank. We now have Palestinian election officials advising that because they are not welcome in Gaza, they cannot hold the election in January at all. In the past few days that view has been accepted by President Abbas. Perversely, it might enable him to remain in power despite what he said about standing down as he would retain power in the guise of the leader of the Palestinian Liberation Organisation.

What assessment have the Government made of the proposed postponement of a January poll? Holding a free and fair election could be the key to making progress in the peace process, if a united Palestinian Authority were the outcome. On the other hand, a strong Hamas mandate on the west bank could set the peace talks back a considerable time. It is apparent that the lack of a clear and consistent policy from the west has played a part in the recent fallout and Abbas's announcement that he will stand down. It is therefore crucial that the US President now presents a clear policy for how to move towards a lasting peace settlement.

Mr. Marshall-Andrews: Will the hon. Gentleman give way?

Mr. Moss: I am coming to the end of my remarks and have only a few minutes left.

The appointment by President Obama of George Mitchell was seen as a very positive step because of his considerable success in the Northern Ireland peace process, but even he now seems to be making very little headway.

What is needed is a viable two-state solution, with the borders close to the 1967 line. Jerusalem must be shared, with the eastern part of the city forming the Palestinian capital. Indeed, that is very close to what Ehud Olmert, the then Israeli Prime Minister, offered Mr. Abbas a year ago—a deal that included nearly all of the west bank, land swaps for limited settlement blocks and shared sovereignty over Jerusalem. Mr. Abbas and many Palestinians must be kicking themselves now that the offer was not taken up, given the deterioration in relations between the two parties since.

7.19 pm

Jeremy Corbyn (Islington, North) (Lab): I welcome the opportunity to have this debate on foreign policy, and to some extent I was relieved when the Queen's Speech included the reference to a somewhat softer policy concerning

"stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East"

because it seemed to me that at least there was an opportunity for some questioning of the whole policy on Afghanistan. I was very impressed with the remarks made by the hon. Member for Carmarthen, East and Dinefwr (Adam Price), who talked about the reality of the troop surge, the costs that would result and the effect of it.

The House has to face up to the reality. British troops have been in Afghanistan for eight years. We were told that they were going there because of the attack on the World Trade Centre, and that it was impossible to do anything other than invade Afghanistan as a result of that attack. A very large number of Afghan people have died, and 240 or so British troops have lost their lives. I have talked to soldiers who have returned from Afghanistan and their families. Those families find it very hard to understand exactly what the policy is, what the objective is, and why their sons and daughters should put themselves at risk for an indefinite period to win a war, the aims of which are not very clear. They get increasingly angry and frustrated about that.

Every one of us in the House knows that the majority of our constituents are, at the very least, deeply concerned about the policy on Afghanistan, and as far as I understand it, the vast majority want British troops to come out of Afghanistan because they do not feel that those troops are doing any good there. People do not feel that the troops are doing anything other than laying down their lives for a corrupt Government who are involved with warlords, and possibly with the drugs trade. They feel that the very presence of foreign forces in Afghanistan, far from bringing about peace in the country, acts as an effective recruiting sergeant for the Taliban and all their elements.

There have to be talks, negotiation and discussions. We would do well to recall that the Taliban are more or less a sort of franchise operation that operates in different ways in different parts of the country. The Taliban are not uniform across the whole country. Long-term peace and stability will not be achieved by our continued presence there, or through the McChrystal formula of

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sending in another 40,000 troops to mount a counter-insurgency. If that does not work, McChrystal will presumably go back to President Obama and ask for more.

The logic of the policy is that if the instability moved from Pakistan to a neighbouring country in central Asia, British and American troops would follow it, and we would continue the war in some other form in some other place. We need to stop and think about what we are doing in Afghanistan, what the cost is, and what the long-term implications are. I hope that the discussions that are to take place will recognise that the policy is not working, and that it is time to withdraw from it.

I also want to speak about the middle east and follow up, although not necessarily with agreement, on the points made by the hon. Member for North-East Cambridgeshire (Mr. Moss). There is an argument that our policy in Afghanistan brings about support and safer streets in our society, but that is simply not the case. The fact that a number of young Muslims in our country are continually stopped and searched because they are perceived to be terror suspects leads not to greater cohesion, but to greater division and suspicion, in our society.

The issues that unite large numbers of people in our society, particularly young Muslims, are opposition to the Afghan and Iraq wars, and great support for the cause of the Palestinian people and an end to the occupation. We have to recognise that peace in the middle east will be brought about through negotiation; that is obvious. If it is to be brought about, we have to stop playing ducks and drakes with Hamas and Fatah, and should instead recognise the call for unity of the Palestinian people. That call was made very effectively last night on al-Jazeera by an independent member of the Palestinian Authority, Mustafa Barghouti.

We should recognise the anger felt throughout Palestine, and by many people across the world, at the Israeli invasion and occupation of Gaza less than a year ago; at the fact that illegal weapons were used; and at the fact that when the matter came to a vote in the UN Human Rights Council, the British delegate apparently either abstained, was missing or did not vote. I am not sure what the difference is between abstaining and not voting; perhaps Ministers could reply on that point.

At the risk of incurring your wrath, Mr. Deputy Speaker, I want to quote from the Goldstone mission report, but not at great length:

> "Based on the facts ascertained, the Mission therefore finds there to have been violations of customary international law in respect of a deliberate attack on civilians. It considers the attack was not only an attack intended to kill but also to spread terror among the civilian population, given the nature of the weapon used."

It goes on to describe the use of white phosphorous and other weapons by the Israeli forces in Gaza earlier this year.

That report will now come before the Security Council. I hope that the British representative, along with other representatives, will recognise the importance of considering it, of a full investigation of it, and of the possibility of taking the issue to the International Criminal Court in the foreseeable future. If we do not do that, the situation will become worse, and the US will continue to pour vast amounts of aid into Israel. The illegal occupation will continue, the situation will become worse and worse, and the anger will become much greater. Israel illegally occupies land and builds an illegal wall, yet it receives $3 billion a year in aid. We continue normal trading arrangements with Israel, despite its numerous illegal activities.

Last Friday, I had the pleasure of hosting a visit to the House by a group of firefighters from Nablus who were brought here by the Fire Brigades Union. They had been on a training course for firefighters. I showed them round the Chamber, explained what went on here and talked about it. I asked them what they would have liked to say to the House of Commons if they had been at this debate. Their comments were interesting. The first comment was that it was easier to get to the United Kingdom from Nablus than to get from Nablus to Jerusalem, because there were fewer checkpoints and the people at those checkpoints were less aggressive and unpleasant. The journey from Nablus to Jerusalem is 69 km; the journey from Nablus, via Jordan, to this country is several thousand kilometres.

The firefighters went on to describe their work. They described how they were shot at by Israel defence forces when trying to attend emergencies as part of their job, and said that their tools had not been updated since 1996, despite offers of aid and support from the Fire Brigades Union and others; that equipment is still held up in the docks somewhere in Haifa, because Israeli officials will not let it through. People such as those firefighters are trying to bring about peace and stability in Palestine; the very least that we can do is make sure that the voluntary British aid that is sent to them gets through. I hope that Ministers will be prepared to meet a delegation from the Fire Brigades Union and me to discuss how that particular aid can get through.

Last month, I went on a brief visit to Syria with the Palestinian Return Centre. I went to visit the refugee camps on the border between Iraq and Syria, and the people there are Palestinians who were living in Iraq. After the fall of Saddam Hussein, various forces within Iraq decided that those people were, somehow or other, on the wrong side of the fence, and they were effectively expelled from Iraq. Syria has taken in probably at least 500,000 Palestinians over the years, and given them the necessary support and comfort.

There are now several hundred families stuck in the no man's land just beyond the border between Syria and Iraq, and there are others at various other camps. I pay tribute to the fact that Syria has accommodated a very large number of refugees and ensured that they are able to live in that country in safety. I hope that the British Government will recognise that, and will do all that they can to give the appropriate and necessary funding to the United Nations High Commissioner for Refugees, so that we can ensure that those people can get to Syria and resume normal life.

Those families were living in tents in a desert in the middle of winter. It is very dangerous there, very cold at night and, in the summer, impossibly hot during the day. When I talked to them, it was the sheer family distress that struck me. I spoke to one particular family; the grandparents, who were kicked out of Haifa in 1948, went to Iraq. Others had gone to the United Arab Emirates and other countries. The grandparents ended up being driven from pillar to post. I asked, "What's

your aim—your wish, your ambition in life?" They said, "To go home, and to be able to return to Palestine." Of course, they cannot do that. There are 6 million Palestinians across the world who cannot return home, and until we recognise the plight of the Palestinian people, and their desire and thirst for peace, those ambitions cannot be achieved.

There are brave people in Israel who also recognise that peace comes by recognition and through treating their neighbours in a decent, fair and proper manner. I hope that in this debate we can recognise that if we help and support the Palestinian people, give recognition to Palestine as an entity, and start being a bit tougher with Israel on its illegal activities, its occupation, its settlements, its wall and all the other activities that it is undertaking, that will help to bring about a long-term peace settlement.

I conclude with this point: Israel is the only country in the middle east that possesses nuclear weapons. It has more than 200 warheads. It is not a signatory to a nuclear non-proliferation treaty or any other nuclear treaties, except that it did sign the Mediterranean convention two years ago, which at least appeared to be recognition on its part that it had weapons of mass destruction. Surely, in advance of the non-proliferation treaty review next year, we could encourage Israel to be part of a nuclear weapons convention and help to bring about a nuclear-free middle east, which would reduce the pressure by some reactionary forces in Iran for Iran to develop its own nuclear weapons.

If we want to see peace in the middle east, we need to recognise the rights of the Palestinian people, put pressure on Israel and, above all, encourage Israel in the direction of nuclear disarmament and playing a proper role in the region, not being the force that it is at present.

7.31 pm

Sir Menzies Campbell (North-East Fife) (LD): I must begin with an apology. I was unable to be present for a large part of the debate owing to Select Committee business, which makes me all the more grateful to be recognised.

I shall deal with two topics—first, Europe, and secondly, Afghanistan. In respect of the second, I understand that a large part of the debate has concentrated on that subject. I shall therefore offer such opinions as I do with a certain amount of diffidence. On Europe, the ratification of the Lisbon treaty caused pro-Europeans to breathe a sigh of relief, but if one listened carefully, one could hear quite a few of those who regard themselves as Eurosceptics breathing a similar sigh of relief. The fact that the treaty has been ratified means that treaty reform will be off the European agenda for the foreseeable future.

The conduct of the Lisbon treaty, by which I mean the circumstances in which it was drawn up, Giscard d'Estaing's presiding over the Convention, the length of time that ratification has taken—all that has substantially removed any enthusiasm on the part of any of the members of the European Union for a return to such a process, which had an enormously debilitating effect on Europe and was one to which no one would seek to return very quickly.

What is necessary now is to ensure that the Lisbon treaty is made to work. In that regard, it seems to me that Europe has largely shown a collective lack of confidence in the past week in its choice of the President and the foreign affairs supremo. In saying that, I cast no aspersions on Baroness Ashton, but it seems to me that these two prime, principal posts ought to be occupied by people who bring to them a substantial contribution.

I do not doubt for a moment the conscientiousness of the new President or of Baroness Ashton, but in the nominations to those posts we in the United Kingdom did ourselves no service by adopting a partisan approach. When it comes to foreign affairs, it respectfully seems to me that Lord Patten or Lord Ashdown would have made extremely effective contributors to the role envisaged for the foreign policy supremo.

Such is the nature of these new positions that it is the impact of the first incumbent that will determine the nature of the positions. All the more reason, therefore, for ensuring that those who occupy them bring to the task a wealth of experience and a degree of credibility in an area that is notoriously complicated.

I suppose that one advantage of the ratification of the treaty, Mr. Deputy Speaker—an advantage which you, I think, will share—is that we will no longer have to put up with those arid and unproductive debates on the Lisbon treaty, about which the right hon. and learned Member for Devizes (Mr. Ancram) confessed publicly that he made the same speech on three occasions. All he did was shift paragraphs around. Notwithstanding that, those debates were a feature of foreign policy discussion in the House for a very long time.

Europe should concentrate on trade issues, both internal and external. It is the strength of the European Union which allows us not to be browbeaten by the United States, or increasingly to be liable to be browbeaten by China or India, the emerging economies. There is one area where, sadly, Europe has so far lacked a capability of creating the integrated policy that would be important—on the issue of energy supply, and in particular how we deal with Russia.

Europe should be integrated on the issue of immigration. Europe should be much closer together on issues such as cross-border crime, including trafficking and narcotics. On the vexed issue of climate change to be discussed next month at Copenhagen, there is clearly an opportunity for a far greater degree of contribution by Europe not only to the debate, but to the measures necessary to bring about a reduction in CO_2 emissions.

Europe can be effective only if there is a proper emphasis on the two principles of proportionality and subsidiarity. These principles are enshrined in European treaties, but they have not had the attention or been given the impetus they deserve, and which is all the more necessary the larger the European Union becomes. A European Union of 27 should have proportionality and subsidiarity at its masthead. I hope the Government will take initiatives on this issue in the time still available to them.

Another priority is European defence co-operation. The principles are well known—force specialisation, interoperability and common procurement. Until now there has been a lack of political will, but we are soon to face financial compulsion. In the decisions made by the Government who take office next year, it is perfectly clear that there can be no so-called sacred cows. It is clear that defence may well be an area from which a Government, whatever their colour, will want to make

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savings. All parties are now committed to a defence review, but that review may have considerable long-term implications for the financing of defence.

All that argues strongly for a much greater European contribution that would, in turn, feed through to a much stronger NATO contribution to defence and deal with some of the issues directly related to Afghanistan and the fact that the burden-sharing in Afghanistan has been a long way short of equitable.

That brings me to Afghanistan. We are in a vacuum because of the length of time the President of the United States is taking to reach a decision. It is important to remember that we talk about our strategy, but the truth is that it is the United States'. In this matter the United Kingdom is subordinate. I do not think that this is a President who, having successfully reduced the commitment of the United States in Iraq, is likely to want to face mid-term elections or his own re-election campaign against a background of an apparently senseless commitment in Afghanistan. Too many people have already described this as Obama's war, and given the mid-term elections and the presidential re-election campaign, I should be extremely surprised if the strategy that emerges from this long period—a little like 40 days in the wilderness—is anything other than one which may not state a date for withdrawal, but which is based upon creating the conditions for withdrawal.

It is very easy to say, "Pull out now," but let me identify some consequences of precipitate withdrawal. First, there would be regional instability: the relationship with Pakistan is well known. Secondly, there would be damage to NATO, perhaps irreparably. There are those who would quite like NATO to be irreparably damaged. Russia has never lost its ambition to bring an end to NATO's existence and to create an alternative security architecture. Thirdly, precipitate withdrawal would bring about a serious strain on our relationship with the United States, at a time when we have a President who is more attuned to Europe and European ideas than many of his predecessors. Fourthly, it would return the people of Afghanistan, very likely, to the Taliban, and the return of the Taliban to control in Afghanistan would almost certainly provide much more sympathetic opportunities for al-Qaeda.

Is President Karzai about to win the John Stuart Mill prize for liberalism? I doubt it very much. The President's defects are well known, but he is all we have got, and even if there had been a second election, he would be all we have got. That means that, to achieve the conditions for withdrawal to which I referred, we may, if necessary, have to work around him. That is why I understand the emphasis that the Prime Minister recently made on a more local and provincial approach to be a recognition of the fact that if Karzai stands in the way of progress, there is an alternative strategy. Local autonomy would be a very effective way of creating the conditions in which we could withdraw, particularly in a country that has never enjoyed a strong central Government. Indeed, local autonomy is a part of the very political fabric of Afghanistan.

Like everyone else, I mourn the death of any British serviceman or woman; like everyone else, I am concerned about the grievous injuries that so many of those young people sustain; and, like others, I have been to Headley Court and to Selly Oak hospital to see the work that is done there. We invite young people to make a very considerable sacrifice on our behalf, and, if I did not think it still necessary for our deployment to continue, I would not be willing to tolerate that sacrifice. However, it is easy to talk in terms of in or out. There are no easy solutions on Afghanistan; there are only solutions that are less damaging than others. For the moment, we must wait until the Obama strategy is published, and, upon that, I believe we will find the conditions that will enable us in due course to bring about the orderly withdrawal of our troops for which we would all wish.

7.43 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): It is a privilege, as always, to follow the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), and a privilege to be given the opportunity to spend 12 minutes reflecting, if I may, on the greatest British failure of foreign policy for 40 years. There are, unhappily, many worthy candidates for that particular plinth in our political pantheon: Iraq, certainly; Afghanistan, perhaps. But the greatest failure by a long political street is our policy in the past 40 years towards Palestine and the state of Israel.

That policy has not received, of course, the attention that has been given to Afghanistan and to Iraq, and British soldiers do not daily die on the sand in Palestine. That is to be understood, but that being said, there is no greater cause in the world than exists in Palestine for terrorism—for asymmetric conflict; and, there is no greater alibi or apology for terrorism than exists in Palestine. It does not exist in Afghanistan. The motivation for terrorism is nowhere better exemplified than in Palestine and in the state of Israel, and the so-called legitimacy that those who are part of the asymmetric conflict claim is within Palestine. There is no hope for us in confronting the fundamentalism that lies at the root of terror until we apply ourselves to the defeat of the grotesque injustice that takes place in the middle east.

I say straight away that I, myself, have been slow to anger on this issue. There are two reasons why. First, most of my political preoccupation over the past 13 years has been with trying to do something about the erosion of civil liberties in my own country, let alone within the middle east. That erosion has been steady and, as you know, Mr. Deputy Speaker, a preoccupation with which I have wearied the House on a number of occasions.

Secondly, my generation has always had a natural sympathy and empathy with the state of Israel—always. Whatever its geographical legitimacy, it is a state that was born within my lifetime and born out of indescribable suffering. There has always been a belief in my generation that the state of Israel should be supported, if nothing else, for that reason, but it needs to be said now that, for me and for many of my generation, that empathy is now at an end. That partiality which was natural within international corridors is now finished. Israel must now be judged without partiality as any other nation state within the community of nations, and, if the acts that it commits make it an international pariah, that is precisely how it must be judged.

The anger that has come to me and many other people is not irrational; it is founded in report after report from the most reliable and illustrious of sources, some of them within Israel itself. As my hon. Friend the Member for Islington, North (Jeremy Corbyn) said, brave people in Israel are responsible for that research and those reports. It has come from the United Nations Office for Co-ordination of Humanitarian Affairs, and it has come, finally, in 575 pages of indictment from Goldstone—indictment of criminal carnage and devastation that I shall come to in a moment.

Jeremy Corbyn: Does my hon. and learned Friend not find it absolutely extraordinary that although somebody with the prestige of Judge Goldstone wrote such a comprehensive, detailed and well-evaluated report, the British Government abstained or did not participate in the vote at the UN Human Rights Council, and that, apparently, there is a move to try to veto the whole process at the UN Security Council?

Mr. Marshall-Andrews: Yes, I do, and I found the excuse for that situation—that the wording of the resolution was partial—to be deeply unsatisfactory and unmoving. The truth is that the debate was about Goldstone and everyone knew that—Goldstone being one of the most respected and distinguished South African judges, with an extremely long pedigree of dealing with matters of civil liberties within his own country and outside it.

The hon. Member for North-East Cambridgeshire (Mr. Moss) is no longer in his seat, and I was sorry that he would not take my intervention because I wanted to tell him how much I was going to disagree with him. However, with due deference to him, I must say that to speak for 12 minutes without once mentioning the Goldstone report—the 575 pages of the Goldstone report, which is now the central issue in respect of that region—showed in one's view of the middle east a selectivity that I find difficult to comprehend.

I turn now to factual matters. There is a plethora—a litany—of them, but I simply choose 10, all firmly grounded in the sources to which I have referred, and all plain and unassailable facts. On the west bank, there are now 285,000 illegal settlers. There are 200,000 in East Jerusalem, and that does not account for the 200,000 illegal settlers who are not in formal settlements. There are 75,000 housing units planned on the west bank—illegally—as we speak. That is not a resettlement of people, or a diaspora of Britons in the Dordogne; it is the illegal colonisation of another's land. That is the first matter I wanted to mention.

Secondly, some 60 per cent. of the west bank is controlled by Israel, much of which is in the so-called area C, which is completely controlled—it is a military zone—along the Jordan river. Some 9.3 per cent. of the land in the west bank is now settled, and there are now 120 unofficial outposts, in which 200,000 people live. Some 400 km of the projected 723 km barrier between these two so-called countries has been completed, and 12 per cent. of the west bank is encompassed illegally within it. Very nearly 500,000 Palestinians are in the barrier's path and are encompassed or separated from their land as a result. There are 60—not 30, but 60—permanent checkpoints on the west bank. There has been some alleviation, in that they are not always manned now. However, as a riposte to that, there are now 65 flying checkpoints that can be put into effect anywhere. Palestinians are subjected to the added indignity of not knowing where they are going to be stopped at any given time.

Thirdly, in East Jerusalem, 420 Palestinian houses have been demolished since 2004.

Then we come to the statistics of deprivation. Infant mortality in Israel is 4.2 per 1,000, while on the west bank it is 15.9 per 1,000; in Gaza, it is 18.35 per 1,000. The per capita GDP of Israel is $28,000, while in neighbouring Palestine, it is $2,900. Unemployment in Israel is 6.1 per cent., while on the west bank it is 16 per cent. In Gaza it is 41 per cent.; that accounts for the fact that 70 per cent. of people in Gaza live below the US poverty level and 79 per cent. are in deep poverty.

Some 150,000 Palestinians have no running water and 80 per cent. of the water they have is below World Health Organisation standards. That is because the treatment plants were destroyed, almost certainly deliberately, during the invasion of Gaza. As a result of the destruction of the sewage plants, 7 million litres of untreated sewage is poured every day into the sea off Gaza. Furthermore, the width of that sea is now constricted to 3 km, rather than the 20 km agreed at Oslo.

I have not even got to Goldstone. The Goldstone report is an enormous indictment of individual acts of cruelty and acts that are undoubtedly crimes against humanity and war crimes. There was deliberate killing of civilians; there were 1,440 deaths in Gaza during the invasion in December last year. Some 431 of those who died were children and 114 were women. White phosphorous is an unassailable fact recorded by the United Nations, which knows that it was used against its own installations; 57 were hit during the invasion of Gaza. The only flour mill operating in Gaza was destroyed on 9 January in an absolutely deliberate and premeditated attack. Chicken farms, on which the people of Gaza overwhelmingly rely for their protein, were destroyed. Some 100,000 birds were destroyed; 60 per cent. of the agricultural land was rendered useless. Some 17 per cent. of the orchards were destroyed.

That is the cost of the Israeli invasion of Gaza. Goldstone is unequivocal in his conclusion that there were serious and repeated breaches of the fourth Geneva convention of 1949 and its first protocol. This is not just another piece of foreign policy, but the crucible of injustice. Without a remedy for that injustice, we will never create international peace or a suitable antidote to international terrorism.

There is no doubt that in giving vent to this anger, people such as me will be accused of partiality—but Israel is a state, and a prosperous one. It is supported by the most prosperous state and some of the most prosperous institutions in the world. If Israel craves the priceless advantage of international statehood among democratic nations, it must be treated as a state and behave like a state. The Palestinians have no such state; they are denied one. If we deny people a state, our complaint is hollow that their actions do not live up to the status they have been denied.

As a Member of Parliament and a lawyer, I simply say this: the offences committed, particularly in Gaza, are international offences against the fourth Geneva convention and its protocol. In this country we are signatories to the convention and under the Geneva

[Mr. Marshall-Andrews]

Conventions Act 1957 and the Geneva Conventions (Amendment) Act 1995 we have not only a right but a duty to track down, investigate and prosecute those in breach of the convention. We have a duty to do that here. I say now, in so far as one has any voice at all, that those responsible for those acts in Israel and Palestine can no longer travel safely, because internationally, in all the countries that have signed the convention, they are liable to the prosecution that they deserve.

7.56 pm

Patrick Mercer (Newark) (Con): It is a pleasure to follow the hon. and learned Member for Medway (Mr. Marshall-Andrews); as usual, he has made his points with great clarity and what he has said has been of great interest.

I am afraid that I am going to return to the issue of Afghanistan. That will come as no surprise to the Secretary of State for Defence or anyone on these Benches. The focus of my concern is a speech that I heard on Remembrance day in my constituency. It was made by a member of the Royal British Legion, an elderly gentleman who had fought in the second world war. He was wearing the Africa Star and the Italy Star. He spoke with great pride about the amount of money that the Royal British Legion had raised in the previous few weeks, but went on to say how bitterly opposed he was to the war in Afghanistan. He did not understand the cause behind it or the reason for our troops dying there. I spoke to him afterwards. I said that he had fought tyranny—he had the medals to prove it—and that he had been content to stand against a dictator and risk his life. He said, "Yes, but that was a just war. It was a proper, real war. This is a waste of life." I challenged him and asked him to explain. He said that he had heard no proper reasons why our men and women were dying in Afghanistan.

That is the point that I make to the Secretary of State for Defence. A refreshing amount of understanding has been displayed tonight and Pakistan has been mentioned by almost everyone who has spoken, with one or two notable exceptions. However, the Government have made a particularly poor job of explaining why our men and women are fighting in Afghanistan. There are some cracking arguments that, if made articulately, properly and frequently, might make my friend from the Royal British Legion change his views.

First and foremost, my friend, like many in the Chamber, advocates withdrawal. But we are where we are, whether we agree with the intervention in 2001 or the expedition to Helmand. Those things are not the point; we are where we are. If we were to withdraw now, what would be the consequences? First and foremost, the United States would simply carry on with the heavy lifting and continue the fight. We paid a price for our behaviour when the Spanish withdrew from Najaf, Iraq, in 2005. We agreed, although not very obviously or publicly, to plug the so-called "Spanish gap" of 3,000 men, but we never did. We did not honour the agreement. The United States forces had to do it and they finally had to pull the fat out of the fire in Basra.

We cannot carry on letting down our allies; that would be quite wrong for a number of reasons. First, there is our moral duty. Secondly, it would fracture an alliance. Thirdly, after what I consider to be the Prime Minister's ill thought-through statement that we would adopt a timetable for our withdrawal from Afghanistan—not a series of goals or achievements, or a graduated response, but a timetable—within half an hour al-Qaeda was on the wires with its statement claiming that this was the beginning of the end. It said that the second major partner in the alliance, Britain, had signalled the fact that it would no longer support the US and that, to all intents and purposes, it was defeated. We cannot do that.

The Government's arguments for the most part—although not tonight, because we have heard some excellent speeches from Labour Members—have been made very badly. For instance, several different reasons have been manifested for why we are in Afghanistan. The most recent is that conventional military operations there are designed to keep the streets of Great Britain clear of terrorism and terrorists. The Secretary of State knows that I am the Chairman of the Counter-Terrorism Sub-Committee, so I know that that is an argument, but I do not believe that it is the prime linchpin of the Government's reasons for our conventional operations in Afghanistan. Of course we must prevent that country and others from falling back into a state of disrepair and becoming a failed state where terrorism can prosper, but the attacks on 7/7 and the failed attacks on 21/7 were not led by Afghans or by men trained in Afghanistan. The former were led by Yorkshire men, trained in the Lake district and Pakistan, and the latter by a man of north African origin living in north London who had also been trained in Pakistan and this country. The several dozen arrests carried out after the aircraft plot of August 2006 were all of British nationals, with two exceptions. They had not trained in Afghanistan, but in Pakistan. That surely is the point.

I fail to understand why the BBC so often presents two different pieces of news, the first about Afghanistan, usually bad news, then—several items down the news—something on Pakistan. But it is the same issue, the same war being fought against the same, albeit slightly different enemies and albeit on two different fronts. Would my constituent who fought in the second world war distinguish Anzio and Normandy? Of course he would not—it was the same war against a common enemy on different fronts. The Government must start to make the argument much more coherently that the reason that our troops are in Afghanistan is not just to support the Government of that country or just to bring it back to some form of rationality, but to carry on, on a second front, the war that threatens to engulf the whole region, from the borders of Russia to the borders of Iran. We know that Russia is nuclear-tipped and we believe Iran to be also. Pakistan also has a nuclear arsenal that, should it fall into the hands of our enemies, however likely or unlikely that is, would—as even the meanest intelligence must comprehend—threaten to increase the sad, but relatively modest number of injured and dead from terrorism in this country. Plunging that region into nuclear-tipped chaos would create a problem with which we could not live.

Paul Flynn: Is the hon. Gentleman in favour of sending British forces into Pakistan?

Patrick Mercer: Pakistan is a sovereign country. British and allied forces are already involved on the borders of Pakistan. If Pakistan were to require our help, that is

something that I would consider, but let us be in no doubt that the core of this problem lies in Pakistan. Watch the news and see what is happening there every day. The rebels are not just challenging troops in the field: they are attacking at the heart of that country, taking on Government and defence establishments and inflicting enormous casualties. If we continue to divide these two parts of the war, we miss the essence of what the Taliban, backed by al-Qaeda, are trying to do.

I ask the Government to read the history books. When we went into Helmand in 2006 I made a speech, as did colleagues, asking the Government not to look only at the British history, but at what happened to the Soviets in that area and others on the border. We are inviting the sort of war in which the Soviets became involved—and the sort of casualties that they suffered. They were prescient words. Those who write off British policy in Afghanistan in the 19th and 20th centuries as a universal failure are wrong. Yes, the first expedition in 1842 was a failure, 1919 was probably a score-draw, but 1878-80—in the parameters of the time—was a success. In 1880, there were two different theatres, but there was fighting between Gereshk and the Helmand river against the Talibs and the Ghazis—for which read Taliban and al-Qaeda, as they were the religious extremists of the time. It was by the same regiments against the same tribesmen, in a very similar region, with a political backdrop that is remarkably similar. A Government fell in 1880 over what happened in Afghanistan. We thought that we had got things right a couple of years before, but too quick a withdrawal led to the disaster of the battle of Maiwand in July 1880 and to other problems that were only solved finally by military might.

Let us also be clear that if we displace terrorism in Iraq and Afghanistan, as we have heard tonight, there are many other places where al-Qaeda will spring up. I am not concerned so much about the Taliban, who have no desire to fight in this country or to kill people inside our borders. They are a nationalistic organisation that we can defeat, not so much militarily, but in the same way as we did in the 1880s and 1920s—by boxing clever and peeling people away from the idealists.

I also ask the Secretary of State to look at the problem of Somalia. What we think we may have got on top of in Iraq, and what we are struggling to contain in Afghanistan, has been by no means solved in Somalia. I ask him to look especially carefully at the naval resources that he is able to commit to the waters off the horn of Africa, and to dedicate resources there to prevent Somalia from developing into the sore—the hotspot, the disgrace—that Iraq did and Afghanistan is becoming.

8.8 pm

Mr. David Anderson (Blaydon) (Lab): Earlier tonight we heard from my right hon. Friend the Member for Cynon Valley (Ann Clwyd) about the situation in Iraq. She made the point that, for the first time in many years, the word "Iraq" was not mentioned in the Queen's Speech. However, the Queen did say that her Government want to work for peace in the middle east, and it is impossible to have any real peace there without involving Iraq. In recent discussions that I had as chair of the Labour Friends of Iraq with the Islamic Dawa party, it said that it believes that Iraq can be a beacon for democracy, freedom and moderation in the middle east instead of suffering the tyrannies of poverty, backwardness and extremism in what is still one of the most prosperous parts of the world. The first part of my speech will ask what our Government intend to do to try to continue to improve the situation in Iraq, now that we no longer have troops on the ground to any great extent.

One of the key issues that I want to raise is something that has been a running sore for more than four years—the imposition of restrictions on the freedoms of the trade union movement in Iraq. In August 2005, the interim Iraqi Government imposed restrictions on the trade union movement in Iraq, seized its assets and reintroduced rules that said that working in the public sector, which is a huge part of the Iraqi economy, is not compatible with trade union membership. If Iraq wants to pretend to be a democracy and behave like a democracy, it has to accept that free, democratic and independent trade unions must be allowed to exist, something that trade unions in this country, our Government and the International Labour Organisation have all supported. We need to emphasise that, so I hope that the Government take that point on board.

We also heard from my right hon. Friend the Member for Cynon Valley about the upcoming elections. They are due in January, but there are doubts about whether they will go ahead. They should go ahead, and one of the key things that we could is to sit down with the Iraqi Government and the various parties and people across Iraq and say, "What can we do to help you ensure that these elections go ahead?"

We have a strong and close relationship with the Kurds in Iraq. They are clear that we saved them from effectively being wiped off the face of the earth. I am proud to be the secretary of the all-party group on the Kurdistan region in Iraq. The Kurds fear that the Government in Iraq are retreating into a central, rather than a federal state. The Kurdistan region of Iraq is struggling to get its people to see that their future lies in a federal Iraq. If the Government in Iraq do not realise that and do not work with the Kurds, they could well experience even more problems than they have recently.

Last week a friend of mine, Bayan Sami Abdul Rahman, the High Representative to the United Kingdom from the Kurdistan Government in Iraq, wrote a passionate article in my regional newspaper, the Newcastle *Journal*. She rightly paid tribute to the fallen British soldiers and expressed her

"appreciation for the sacrifices made in the liberation of our country".

"Liberation" was the term that she used. It is also the term that I have heard time and again on my visits to Iraq. The people I have spoken to see what happened in 2003 as a liberation. For those of us who opposed the intervention in Iraq, that is quite a hard thing to have to accept. However, it is strange that we never hear much in this country about what the people on the ground believe. Lots of us have opinions, and lots of people outside this place have them too; but the truth is that the people of Kurdistan and the people in Iraq see what we did as an act of liberation.

Bayan knows what she is talking about. Both her father, who was the deputy Prime Minister of Kurdistan, and her brother were among those killed by suicide bombers in the Kurdish capital Irbil in February 2004. I have had the privilege of visiting the monument to their death, which carries a profound epitaph: "Freedom is not free". Very true.

[Mr. David Anderson]

Bayan also says:

"it is important to appreciate that Iraq is far better off today than it was under Saddam Hussein and there are many great opportunities for exchange between Britain and Iraq—cultural, educational and commercial."

I hope that John Chilcot, whose inquiry starts tomorrow, asks people such as Bayan Rahman to give evidence. I hope that he asks Hangar Khan, from the regional trade union movement, and Abdullah Muhsin, who was exiled in the 1980s and became the international representative of the trade union movement, to give evidence too. They will say clearly what Bayan has said to me:

"Some people seem to have forgotten the brutal reality of his long years of repression. Saddam conducted a campaign of genocide against the Kurds. His forces used chemical weapons to kill men, women and children including 5,000 people who were killed in an attack on the city of Halabja in 1988. They murdered innocent people including thousands of boys and men from the Barzan area who disappeared in 1983,"

never to be seen again,

"and whose mass graves are being found today."

Saddam's forces also

"razed 4,500 villages to the ground, destroying"

the agricultural heartland of Iraq. The suffering in other parts of Iraq was the same. The key question that people ask me when I am over there is not "Why did you come here in 2003?" but "Why didn't you come here in 1983? We might have had a very different way of life."

The other thing that I want to stress to the Government is the opportunities that we are missing in Iraq. There is huge potential for investment in Iraq. The Iraqis want us there. They have a great belief in the craftsmanship of British workpeople and a great loyalty to us for what this Government and this country have done over many years. The Iraqis want us to take up those opportunities, but it is clear that other countries are getting there ahead of us. We really need to step up our game, and we need UK Trade & Investment to do that.

The Queen's Speech also referred to the need for us to ensure that we increase the 0.7 per cent. contribution from GDP to international development, a point echoed by the Foreign Secretary earlier. Over the past few weeks, we have had a discussion that I thought would never happen in this country, about the so-called Tobin tax or a currency transaction levy, which I have supported for many years.

I was a delegate to the World Trade Organisation talks in Seattle in 1999, where we thought that we nearly had a deal. Unfortunately, it did not come off. We then went to the next round in Doha, where nothing like that was anywhere near the agenda, mainly as a result of what had happened on 9/11. It was therefore with some surprise that the idea of a currency transaction levy, as called for by early-day motion 1396, which I tabled earlier this year, came out of the discussions at St. Andrews. A currency transaction levy is something that our Prime Minister, our Chancellor and now other people across the world are starting to pursue.

I never thought that I would say this, but it appears that I was too timid in what I was asking for. My early-day motion, with the support of some campaign groups, suggested a currency transaction levy of 0.005 per cent., which would raise something in the region of £33 billion a year for international development. When we consider the trillions that are moved around the world, £33 billion is not very much, but it would be a huge step in the right direction for international development. I am very glad that that piece of work has taken hold in this country and across the world, because the people of this country are ready to say that it is time that the people who have made millions, billions and trillions off the back of ordinary working people across this country and across the world started playing their part.

For years, the story has been that if we do anything like that, everybody will run away and put their money somewhere else. That is the same story that people told me for years when I argued for the nationalisation of the banks, but what did we see in the past two years? Not only did they not run away; they ran towards and said, "Please, please, please, get us out of the hole that we've put you in." We have done that. We should now be quite clear and say to people, "We want you now to start playing your part in putting this right," and not just by having a transaction levy devoted to international development, but by looking beyond that. What else can we do with the money that we raise with a relatively small levy? The Austrian Government have suggested putting a 0.5 per cent. levy on financial transactions, which would produce £400 billion a year, which could effectively be spent on good causes. That is something that our Government should explore.

I will close my remarks in a moment, but I want quickly to touch on three other things that I hope my Government do not back off from. Last week, the Queen said:

"My Government will introduce a Bill to enable the wider provision of free personal care to those in highest care need."

However, the words had barely been spoken before the experts came out of the woodwork, including those from my party, to criticise the proposal. As a former care worker and someone who had the great privilege of representing home care workers in this country, my suggestion to the Prime Minister and the Secretary of State for Health is: "Ignore the experts. Get on and do this. It's the right thing to do and the people of this country will congratulate you for it."

Likewise, let us get on with the work to support carbon capture and storage, which is vital for this country's future. We can pretend that we can keep the lights on in this country with wind, water and wave power, but it ain't gonna happen. We need to ensure that we have a good policy, based on exploiting the fossil fuels that we still have in this country.

Lastly, I want to mention something that was not in the Queen's Speech but ought to have been. It is now time, before the end of this Parliament, to put right the injustice of people who are suffering from pleural plaques and asbestos-related diseases. A Bill went through this House about a month ago, and it is now sitting along the corridor. It should be reintroduced, and we should find a way to put this right. That is morally the right thing for this Government to do.

8.19 pm

Mr. Christopher Chope (Christchurch) (Con): I congratulate the hon. Member for Blaydon (Mr. Anderson) on being an authentic voice of old, red-flag socialism. It

was good to hear him speaking out so robustly. Needless to say, I disagree with almost everything he said, but I do agree with his last point. He has been gravely let down by his own Government on the issue of pleural plaques.

I want to talk about a number of issues, beginning with Afghanistan. I want to follow up on the quote from the Gracious Speech that the hon. Member for Islington, North (Jeremy Corbyn) used. It is extraordinary that Afghanistan does not even get a sentence of its own in the speech. The quote is:

"My Government will work for security, stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East."

On analysing that sentence, it does not appear that the Government are working for peace in Afghanistan, although they are working for prosperity there.

My constituents, like those in many other communities, have faced the loss of loved ones in this war. I think that four families in my constituency have been directly affected by the loss of loved ones who have sacrificed everything for the service of their country in Afghanistan. The woolly words in the Gracious Speech do not answer the question that I and many others have been asked during the recent Remembrance day services. People asked us whether their son, their relative or their friend had died in vain. The answer that I gave is no, they did not, but I look to the Government to be more forthcoming in explaining why those young men did not die in vain.

The woolly language on Afghanistan in the Gracious Speech, which was picked up by the hon. Member for Islington, North, shows that the Government are trying to embrace all opinions, but we are left with no clarity at all. Instead, we have a spin doctor's fudge, using words that can be interpreted by different people in different ways, to ensure that the hon. Gentleman can support them. I am dissatisfied by the Government's lack of clarity on the objectives. They have not yet succeeded in persuading the people of this country that our young friends and family members are not dying in vain.

I have been in the Chamber for some four and a half hours today, listening to what has been a good quality debate. A persistent theme throughout has been the collective political impotence that our country, our Government and our constituents are experiencing in the face of global anarchy and terrorism and the abuse of human rights. That sense of impotence is apparent in many of the actions of NATO, the EU and the United Nations. Looking at different parts of the world, one can see that their best efforts are not delivering much of a return.

We have heard about what is happening in Zimbabwe, Iran, the Balkans, the middle east and Somalia—not to mention Afghanistan. The Foreign Secretary took it upon himself to say that it was important to have as the EU spokesman on big international issues someone who could stop the traffic in Beijing. I fear, however, that the Foreign Office and the Government now lack any clout in international affairs, although they still talk as though they were running the show.

Extending that theme, I believe that our constituents feel a similar sense of impotence, not just about what is happening abroad but about what is happening in the United Kingdom. For example, the population of the UK is rapidly accelerating to reach 70 million within the next 20 years. It is difficult to find any constituents who think that that is a good idea, but is there any mention of that in the Gracious Speech? Do we ever have a proper, constructive debate about it? No, we do not. People feel that they are being left in the dark, unable to do anything about it.

What about the vast numbers of immigrants who have come to this country in the past 10 or 12 years, most recently estimated by the Oxford economics report to be in the order of 3 million? According to the report's estimates, that would lead to a total of 6.6 million immigrants in this country, with another million expected in the next five years. Again, has there been any public debate about that? My constituents do not feel that there has. Moreover, the figures that I have just cited do not include those figures for illegal immigrants.

Only last weekend, at my Saturday surgery, I had a couple of relevant cases. One involved a person from Iran. I will not identify him by name, but he was picked up in this country in April 2000. He applied for asylum, but his application was turned down. In January 2002, he appealed. His appeal was dismissed in December 2002. He is still here, although there is a restriction on his being able to work and he is not allowed to depend on public funds. He is, however, alive and well and living in Christchurch. He is now one of the legacy cases, which means that he might finally be dealt with by 2011.

In the meantime, this man is in a complete state of limbo. People will ask why he still reports monthly to the local police station, and why his case has not been dealt with if his appeal was turned down as long ago as 2002. Why is he still in this country, the best part of 10 years after he was first discovered to be here? I do not know the answers to those questions, but I do know that the people of this country feel that this is not right. They feel that someone who has been refused asylum should either be returned to the country from which they came, or, if that is not possible, be allowed to participate in the life of this country. They cannot be expected not to be allowed to earn anything and just to drift along.

On the same day, two people from the People's Republic of China came to my surgery. They had been in this country since 2004, and they, too, were in this limbo of not knowing what is going to happen to them. Again, they are not allowed to work or to have recourse to public funds, but they have now produced a couple of children, so I do not know how they are managing to support them. If there are this number of people in Christchurch who have been refused permission to stay in this country after having gone through due process but are still here, one can only imagine how many there must be in other parts of the country.

The biggest sense of frustration and impotence at the moment, however, is that felt by people in the face of what has been happening in the European Union in the past week or so. The hon. Member for Birmingham, Edgbaston (Ms Stuart) said that she thought what had happened in recent weeks or days was not particularly satisfactory, but I would go so far as to say that it has been a grotesque spectacle of wheeling and dealing and backroom deals, ending up in lowest common denominator appointments, which cannot be in anybody's best interests.

[Mr. Christopher Chope]

Over the last two Sessions, I have consistently sought to bring before the House a Bill to evaluate the costs and benefits of our continuing membership of the European Union—a Bill that is supported by my Front Benchers and by the Liberal Democrat Front Benchers, but not, interestingly, by the Government. Bearing in mind the fact that my own party accepts that political integration has gone too far and that the costs of our membership—with a gross contribution exceeding £14.2 billion—are far too high, I hope that the Government will introduce proposals to enable us to have a rational discussion and evaluation of the political and economic costs of continuing membership of the European Union, balancing against that what the benefits might be.

If we did that, we would be prepared at the beginning of the next Parliament to debate this issue with the people—leading, I hope, to a proper referendum, because the people feel impotent, having been promised a referendum that has never been delivered. Nobody under the age of 52 has ever had the chance to express their views in a specific ballot on whether they believe our relationship with the EU is satisfactory or not, and whether they wish to have a changed relationship.

All those sources of frustration give rise to a feeling among our constituents that they are impotent and powerless, with an enormous democratic deficit. Having a lame duck Government continuing to try to hang on to power instead of calling a general election to have a fresh start in this economic crisis simply adds fuel to the fire. I hope that the Government will in fact abandon their proposals in the Queen's Speech and call an immediate general election so that we ean clear the air and people can have their say.

8.31 pm

Paul Flynn (Newport, West) (Lab):

"I believe that the war is being deliberately prolonged by those who have the power to end it... I believe that the purposes for which I and my fellow-soldiers entered upon this war should have been so clearly stated as to have made it impossible to change them, and that, had this been done, the objects which actuated us would now be attainable by negotiation... I am not protesting against the conduct of the war, but against the political errors and insincerities for which the fighting men are being sacrificed. On behalf of those who are suffering now I make this protest against the deception which is being practised on them".

Those words, written by Siegfried Sassoon in 1917 as a serving soldier, were read out in this House, but they precisely describe the current situation in Afghanistan. We went in with a number of objectives, the main one being to ensure that Osama bin Laden had no safe haven from which to plot terrorism in the west. He has a safe haven, but it is in another country.

We went into Afghanistan, as we heard from the Government earlier, partly because 90 per cent. of our drugs were being produced there. It was not the main reason for the war, but it was one of the reasons why going into that country in 2001 was a popular decision. Now, after the deaths of 235 soldiers and enormous expenditure by taxpayers in this country to reduce drug growth, we can see that what we have done has had no influence whatever on the production of heroin. Market forces have had an influence, as there have been three record years for the production of heroin, as a result of which the price of heroin on the streets of Britain is the cheapest it has ever been. This has been an utter failure.

We heard from the hon. Member for Newark (Patrick Mercer), who has a military background, that he does not believe a word of the current fiction that fighting in Afghanistan reduces the threat of terrorism on our streets. He is, of course, absolutely right. The people who committed the act of terrorism here on 7/7, which killed 52 people, spoke with Yorkshire accents. They were trained in Pakistan. A quarter of the terrorist acts in Britain were planned in this country; the other three quarters were planned in Pakistan. Yet because we have lost our way, the reasons for which we initially sent in our soldiers have now disappeared. The politicians are seeking to find an exit that can be spun into a victory. That is the position we are in now. No one in America, Canada or the Netherlands with any knowledge of the situation believes anything but that the war is lost, and lost hopelessly. We must find a way out.

We now put ourselves in a position where we believe any fantasy: it is always easier to go on repeating an old lie than to reveal a new truth. Do we seriously believe that the current President of Afghanistan is the one who will lead his country out of corruption? He has rigged an election; his brother is one of the best known and richest drug dealers in the country; on human rights, he has said that it was right to release from prison, on the grounds that boys will be boys, young men who gang-raped a 13-year-old girl; he refused for 18 months to release from prison someone who received a 20-year sentence for accessing a document on women's human rights from the internet; and he made it legal for Afghan men to commit marital rape.

It was telling that this afternoon the hon. Member for Kingston and Surbiton (Mr. Davey) said that our best practical way forward was to use corruption ourselves, as we did in Iraq: to bribe soldiers to come to our side. We often miss the point that the soldiers in the Afghan army, the ones in the police, the ones in the Taliban and the ones fighting for the warlords, are mercenaries with tribal loyalties. There is not a good group and a bad group. Are our bribes of money to get people to fight for us somehow ethical? It is no wonder that their loyalties are shallow.

Nor is it surprising that we cannot count on the Afghan police, one of whom turned on our soldiers in an act of murder. They have no reason to be loyal. I asked the Foreign Secretary today whether he thought that Karzai would arrest his brother, Wali. If he does not, is he serious about corruption? Will he make sure that the Afghan police are paid? That is fairly important, because at the moment they are not paid—they buy their jobs. The position of chief constable in one area costs up to £100,000, which the holder must get back by taking his cut of the bribes and extortion of his junior officers who rob the people they are meant to serve.

We must pay tribute to the troops for their bravery and success in Operation Panther's Claw. However, there was an ugly side to it. In the village of Penkala, the elders came to see our soldiers and said, "Whatever you do, make sure that the Afghan police do not come back. We know that they rob us and they are thieves, but last time they practised 'bacha bazi', which is the organised rape of pre-pubescent boys, who were kept in compounds in the village." That is not an isolated event.

Is that the way to win hearts and minds—through our bombs, bullets and "bacha bazi"?

We heard the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) on what would happen if we were to pull out now, but no one is suggesting that we do so in a disorderly way. There is great danger, however, unless we do a deal with the patchwork of interests in Afghanistan. That deal must take in the Northern Alliance warlords, who are pretty unpleasant people. One of them was responsible for suffocating 200 prisoners, but he is important to Karzai who made sure that he was back for the election because he needed his votes and support. In our eyes, however, he is guilty of war atrocities.

In the case of the Taliban, we have developed the mindset that they are so wicked and terrible that we cannot possibly let them in. If 9/11 had not taken place, however, we would have been quite happy with the Taliban running the country as an independent state for the past eight years. The myth that has been perpetrated conflates the Taliban with al-Qaeda—as the hon. Member for Newark did in his very interesting speech—and Afghanistan with Pakistan. We have invented a new country called "the region" or "the Afghanistan-Pakistan border", although we know that the areas are very different and have very different interests.

If there is any group with a strong interest in ensuring that al-Qaeda never returns to Afghanistan, it is the Taliban. It was because of al-Qaeda that they lost their position as rulers of the country. When I last spoke about this subject in the House, I quoted an international think-tank which had said that 72 per cent. of Afghanistan was controlled by the Taliban last year and 80 per cent. this year. The Minister of State, Ministry of Defence, my hon. Friend the Member for Harlow (Bill Rammell), disagreed. Although I have written to him, I have yet to be told what the official figure is. However, it is a fantasy to believe that we are in control, and that if we left, everything would go to hell—would go to the Taliban.

Britain has 9,000 soldiers in Afghanistan: 2,000 are fighting soldiers on the front line, and they are in one of 34 provinces. Last year we celebrated with great satisfaction the taking of a turbine to the Kajaki dam. Three thousand of our soldiers and 1,000 others were required to ensure that the turbine reached the dam, but it has yet to produce enough electricity to light a bicycle lamp. In fact, we have one fewer turbine there, because another has not been repaired on site. We are fooling ourselves if we believe that there have been great successes. There have certainly been successes, but they are tiny. British involvement is limited to perhaps 2 or 3 per cent. of the land mass of the country.

We have seen what our brave allies—those from the Netherlands and Canada who have paid the price in blood and treasure—have done. Let me issue this plea: for goodness' sake stop believing the myths, particularly the new myths about the nuclear threat. The reason we are creating these new pieces of propaganda is that the Government and Opposition are rattled by the fact that a quarter of the population of the country believe, sadly, that our soldiers are dying in vain. That is a cruel thing to say from the viewpoint of the relatives of those soldiers, but it does not in any way detract from their bravery, which is as impressive as that of any soldiers who have ever fought on our behalf.

There is another example that defies our myths. We hear that the Americans are paying $1,500 for each truck with which they move goods—ordinary goods, not just weapons but furniture and toiletries—from Kabul to Kandahar, and that in each case the money ends up in the hands of the Taliban. According to an Afghan proverb, when the sun comes up it is like the truth: it is hard to hide it. The sad thing is that the truth is slow to dawn in this Parliament.

8.43 pm

Anne Milton (Guildford) (Con): On occasions such as this, I am always struck by the number of constituents who contact me about foreign affairs. They contact me to express concern about conflicts elsewhere in the world, and often to highlight peace-building work in which they are personally involved or which they support.

Like many others, I have received numerous letters about Zimbabwe, anti-Christian violence in Orissa—sadly, I am unable to attend a briefing about that tonight because of the debate—death sentences passed in Tibet, and religious discrimination against Christians and Jews in Iraq. I have received representations from Flame International, a small young Christian non-governmental organisation working in Africa. I know that it is particularly concerned about the plight of those in south Sudan, specifically those in the region of the Nuba mountains. And, of course, I have received many letters about Afghanistan, expressing concern about the confused and muddled messages from the Government.

The Government really need to explain what we are trying to achieve in Afghanistan. I want to associate myself with much of what has been said this evening by many Members on both sides of the House about the lack of clarity. Is this about threats to our security, about poppies, about al-Qaeda, about the Taliban, about threats to our security, about reconstruction or about Pakistan? We need to be clear, and my constituents need to be clear, about what we are trying to achieve. We need to know what exactly the mission is and what measures of success are going to be used, so we can see ahead to the prospects of eventual handover and withdrawal.

I am also speaking tonight in my capacity as co-chairman of the associate parliamentary group on women, peace and security. I normally have a knee-jerk reaction against groups with the word "women" in their title, but this group is different, and I urge Members who usually have the same reaction as me to look again at the work it does, and also to look at the many organisations in this country and across the world who see women as a crucial part of the peace and security we all work so hard to achieve.

More than 50 per cent. of our conflicts reignite within a decade of peace, and often at the heart of the problem lie flawed peace-building efforts that exclude half the affected population—women. Over the past 50 years, the nature of conflict has changed. Almost all modern conflicts are intra-state, although external dynamics obviously still influence conflict realities. This means it is far more dangerous to be a civilian in today's conflicts. As wars shift from the battlefield to communities, civilians suffer more than ever. While in world war one, approximately 10 per cent. of deaths were civilian, in Iraq since 2003, civilians have accounted for 90 per cent. of all fatalities. These changes have impacted

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enormously on women and their dependants, and this is a challenge that the modern peace-building and security agenda must address.

The associate parliamentary group on women, peace and security is a parliamentary forum in the UK for the discussion of issues relating to UN Security Council resolution 1325. The group provides a unique opportunity for parliamentarians, civil servants, civil societies, non-governmental organisations and others—the Soroptimists being one—to come together in one forum to debate, encourage dialogue and gather expert information from across the political spectrum. We have speakers from across the world, many of whom have risked their lives to film secretly in their own countries, smuggling evidence out so that they can come here to the Houses of Parliament and we can hear first hand about the terrible suffering of women, but also what women are achieving on the ground.

The group is co-ordinated by Gender Action for Peace and Security, and I would like to take this opportunity to pay tribute to Charlotte Onslow, Lady Fiona Hodgson, Chris Levick and many others for the work they do through GAPS. GAPS was established in May 2006 to

"build on UNSCR 1325 and through collective action, promote, facilitate and monitor the meaningful inclusion of gender perspectives in all aspects of UK policy and practice on peace and security."

Jo Swinson (East Dunbartonshire) (LD): I am listening to what the hon. Lady is saying with great interest, and she is absolutely right about the vital role of women in peace building. Does she agree that the recent news that the United Nations is going to appoint a special representative to take forward action on resolution 1325 is a welcome step in turning what have been very good words that have not, perhaps, delivered into real action on the ground?

Anne Milton: Yes, it is welcome, and I have to give some praise to the Government on this: progress in this country has been quite significant. GAPS highlights examples of women's contributions to reconstruction and also the way forward for the implementation of resolution 1325 as well as, of course, the UK national action plan.

Resolution 1325 was passed unanimously in October 2000. In 2004, the then UN Secretary-General, Kofi Annan, issued a report on its implementation, and called for all member states to develop a national action plan to ensure the implementation of the resolution. To date, 16 countries, including two post-conflict countries, have developed a national action plan. The UK Government were among the first to develop a national action plan, which was launched on international women's day in 2006. The strategy links Government, humanitarian, defence, security, diplomacy and conflict work, all of which are important to conflict resolution and peace building. The five core areas are supporting the mainstreaming of a gender perspective at the UN in peace and security policy; training and policy within government; gender justice, including on gender-based violence; disarmament, demobilisation and reintegration; and working with civil society. Within those core areas there are 12 action points.

Why does all this matter? A briefing by Widows for Peace through Democracy makes several points. Widows make up a significant proportion of the female population in all societies, but in conflict-afflicted countries their number—there are very few official statistics on this—has risen to an extraordinary and unprecedented level. Rough estimates vary widely, but it is thought that there are more than 2 million widows in Afghanistan—70,000 in Kabul alone, where, according to a UN report, nearly all the 37,000 street children are fatherless—and probably more than 3 million widows in Iraq. The number may be much higher in both those countries, where many women are the wives of the disappeared or missing. It is suggested that as many as 70 per cent. of children in Rwanda are dependent on widowed mothers, and in eastern Congo more than 50 per cent. of women are widows. Similarly, Nepal, Sri Lanka, Sudan, Somalia, Bosnia, Kosovo and Burundi all need to identify the impact on society of such increases in widowhood.

It is impossible to raise awareness without proper reliable data. Governments, non-governmental organisations and the UN do not have the vital information needed to protect the widows and their dependants, and to ensure that they can access basic services, are protected from violence and have legal protection to ensure their rights to inheritance, property and land ownership. These widows are bringing up the next generation of children, and their role in post-conflict reconstruction is vital. The prospects of the widows and their children after war reflect the prospects of these countries as a whole. We need to know what is happening so that we can direct support on the ground and turn around the fortunes of so many war-torn families—so many war-torn widows and their children—and, thus, turn around the future of their countries.

The initial intervention in Afghanistan was partly justified on the basis of liberating Afghan women from subjugation, violence and injustice. Some 68 of the 249 Afghan MPs are women—that exceeds the 25 per cent. quota—but at least six women MPs have been killed in the past two years. With the exception of the Minister of Women's Affairs, all of Afghanistan's Cabinet posts are held by men. Only one out of the 32 governors is a woman, and women number only 233 of an estimated 62,000 officers in the Afghan national police. It would be helpful to know how the Government will support women's participation in the proposed summit in early 2010, which our Prime Minister announced. A WOMANKIND Worldwide report in 2008 showed that in Afghanistan 87 per cent. of women are affected by domestic violence, 60 per cent. of marriages are forced and 57 per cent. of girls are married before their 16th birthday. In addition, despite improvements having been made, only 5 per cent. of girls are enrolled in schools.

Figures are extremely hard to get on sexual and gender-based violence in the Democratic Republic of the Congo, but the UN estimates that 27,000 women were raped in 2006 in South Kivu province alone. The true figures are impossible to verify, but according to one analyst rape is underreported and

"the actual numbers are unimaginable".

There are certain things that our Government can do. There seems to be no central point within government driving the women, peace and security agenda forward. The lack of clear lines of responsibility makes the

advancement of the national action plan difficult. That plan does not cover interventions in specific countries and Northern Ireland is omitted. The plan has no specific resources or funds attached; all activities are expected to be completed through existing departmental budgets. It remains disconnected from the wider conflict and security policy and other gender equality frameworks. The lack of monitoring and evaluation mechanisms makes it almost impossible to assess the plan's impact.

Women are an immense resource for building a peaceful and sustainable future, but their voices rarely reach the negotiating tables or political spaces. Violence against women is still seen as an unfortunate by-product of conflict and is largely left unchallenged. Such violence and exclusions must be confronted to assist societies in becoming more stable and peaceful for us all. Understanding the realities, needs and capacities of women as well as those of men must lie at the heart of peace-building efforts if an inclusive and sustainable peace and security is to be achieved. Ignoring such issues is costly, both for conflict-affected regions and for the international community.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. May I inform the House that I have been advised that the winding-up speeches will commence at 9.30? There are still Members hoping to catch my eye. I hope that they can do the maths between them and all be successful.

8.55 pm

Alistair Burt (North-East Bedfordshire) (Con): These debates always bring out two things: first, the immense amount of knowledge that colleagues have from their experiences all over the world; and, secondly, a rather relentless and sometimes dispiriting account of the problems that the Government have to face. However, without these debates we would be far less well informed than we are.

There are a number of pegs on which foreign affairs remarks on the Gracious Speech can be hung, and I want to hang mine on the back of a year of President Obama and 20 years of European progress since the fall of the Berlin wall. I shall touch on a number of topics that others have mentioned in the debate.

Without the engagement of the United States, the Government's aspirations as set out in the Queen's Speech, to work for

"security, stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East"

will make little progress. I was in the United States about 12 months ago as an observer for the Harvard induction week for new members of Congress, along with the hon. Member for East Dunbartonshire (Jo Swinson). This traditional neutral and bipartisan affair, which incidentally might lend itself as a style of briefing for new Members of this House in due course, is presented by academics, commentators, diplomats and those from business. It pulled no punches about the in-tray of Congress and the President—from climate change to terrorism through nuclear proliferation and economic chaos.

The world's expectations of the President have been high. The fact that the "re-set" button from the Bush era was pressed early ensured that the much-wanted re-engagement of the US into the multilateral world that it had to a degree struggled to come to terms with was welcomed. It was a different voice. The President's first international broadcast was to an Arabic news station; his first phone call was to the Palestinian leader, Mahmoud Abbas. He spoke directly to the people of Iran, he is closing Guantanamo Bay, he spoke so well in Cairo and he has made the goal of progress in the middle east not an afterthought of his Administration, but an upfront determination. All those facts suggested change, and the sort of change the world was seeking.

On the middle east I believe, as a Conservative friend of Israel whose support for the state of Israel is long-standing and well-documented in this House, that the President must continue with his realistic approach to the Israeli Administration. He must endeavour to make it clear that Israel's moral high ground, so precious to it in the face of relentless terrorism and hostility and on which it might yet have to rely again in dealing with Iran, has suffered terribly in recent years and that criticism or expressions of concern over policy such as those on settlements, for example, are not always ill-meant but are designed to start winning that high ground back.

I suspect that the hon. and learned Member for Medway (Mr. Marshall-Andrews), who described his journey from being a supporter of the state of Israel to where he is now, will have spoken for some. They might not express it in as extreme and very partial terms as he did, but he captured the concern about Israel's loss of the moral high ground.

I believe that much might revolve around the case of Corporal Gilad Shalit, who, as we know, is still in the captivity of Hamas after more than three years. Following the release of video evidence that he was still alive, at the cost of a substantial prisoner exchange—which tells us much about the appreciation of life in the middle east—the world might unite first in demanding that the Red Cross should be allowed to see Corporal Shalit. We might then use the inevitable contacts necessary for such developments to pursue other avenues. To go on as we are in the middle east is in nobody's security interests, least of all Israel's.

Mr. Winnick: Will the hon. Gentleman give way?

Alistair Burt: I appreciate the hon. Gentleman's desire to intervene, but we are now very short of time for other colleagues.

In two other areas, I hope that what is currently perceived as the President's caution will not drift into more dangerous inactivity. In both areas, our Government have crucial responsibilities. On climate change, I do not believe we should allow our expectations of Copenhagen to be dashed completely. Perhaps some lessening of overblown expectations was needed—Copenhagen was never going to solve everything—but nothing that has happened over the past 12 months has done anything but increase concerns about climate change and the need for a concerted response from nations. It is about rather more than the onshore wind farms we tend to get bogged down with.

We remember the imaginative underwater Cabinet meeting with which the President of the Maldives brought worldwide attention to his country's plight. Just because he represents a beautiful country, we should have no doubt that he not only speaks for all who fear the

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impact of climate change on the world's most impoverished nations but that he gets to the heart of the fact that contemporary politics struggles with a response to issues beyond the immediate. The Government should accept no compromises as they work for the best possible settlement.

Similarly, on Afghanistan, a long period of contemplating the possible options for General Stanley McChrystal runs the risk of seeming drift, as our own and other NATO forces wait for a decision about new deployment. Over the past 12 months, the relationship of all our constituencies with our forces has deepened, as we have understood that a matter of geopolitics—dealing with forces and issues of massive consequence—all too often comes down to a dread visit from Army liaison and a knock on the door.

We are all immeasurably appreciative of and grateful for what our forces have been achieving on our behalf—the universal sentiment of everyone in the House today. In March, the 2nd Battalion the Royal Anglian Regiment returned from Iraq, and the soldiers were celebrated by Biggleswade town council on behalf of all my constituents. Their tale is instructive. Two years ago their work as mentors with the Iraqi forces was deemed impossible, yet they left this year with a string of successes, having built a firm base for the future, exactly what we wish to see in the more inhospitable climate of Afghanistan, where voices are similarly raised saying that the job is impossible.

This week a group of youngsters in Sandy will begin packing boxes of Christmas treats for those serving in Afghanistan. The crowds at this year's Remembrance day emphasised both their respect and their anxiety for a cause that they desperately want to understand and support, but of which they are truly fearful. Reiteration by the Government of our role with greater clarity than they have given us up to now, reassurance on equipment and training and, surely, persistence with the President for a decision on the next steps should be the minimum outcome of consideration of the Gracious Speech.

The Europe that President Obama has to deal with bears the massive imprint of the events of 20 years ago, which have been the subject of much discussion in recent weeks. To those of us who remember those events as parliamentarians, the wonder of the achievement of the fall of the wall is never likely to disappear. Many of us have our own recollections. Mine are as an observer to the first free elections in Berlin in 1990. My hon. Friend the Member for Aylesbury (Mr. Lidington) also remembers them well. Seeing those first ballot boxes open—Tories take East Berlin—was a matter of enormous joy for those of us who were there and will remain a highlight of our political memories.

But Europe is never still. I commend the work of the Westminster Foundation, supported by all parties, which does much to prepare and support those looking to enhance democracy in Europe and beyond. A number of countries have joined an enlarged EU as a result of the events of November 2009. Through the foundation, I have been a regular visitor to Macedonia, and I urge the Government to continue to do all they can to assist in the efforts to resolve the outstanding name issue with Greece. It cost that country its membership application for NATO last year, and might, if unresolved, stall Macedonia's application for EU entry, risking destabilising what is still a fragile region.

The Government's failure to deliver the referendum on the Lisbon treaty has further weakened the position of the EU in this country, and their determination, particularly in their dying days, to use the EU largely as a domestic party political issue to divide them from my party does them little credit. If they want to live up to their commitment in the Queen's Speech, they should be working with EU partners to encourage the Union to move on from institutional issues to the wider world, and to follow the agenda of my right hon. Friends—globalisation, global warming and global development.

In each of those areas, the EU has a prominent role, where an active UK Government—I genuinely believe that my colleagues will form one in time—working in partnership with their neighbours, can make a significant contribution. On globalisation, the Lisbon agenda needs further stimulus and engagement. On global warming and global development, we need to create the advocacy fund, long championed by Conservative Members, to ensure that they poorest have the support that they need. We need to heed the warning about food and food sufficiency and reverse the declining trend of investment in agriculture, recognising that staple crop yields are flat, rather than rising, in many poor countries.

To conclude, what we needed in the Queen's Speech was not a list of unobtainable objectives through legislation, laudable though some of them were, but a straightforward valedictory telegram from the Government, telling other countries what they thought of them and announcing a general election to provide a mandate to a Government to come in to deal with the substantial problems, all of which we have heard about tonight. Only that election can give Parliament the clout that it needs to do the job that people want us to do.

9.5 pm

Anne Main (St. Albans) (Con): I should like to start with some words that the Government would rather were not heard. I say that because they have been expunged from a statement by Sergeant Castle and a report on the death of my constituent's son, Captain James Philippson. These are Sergeant Castle's exact words:

"This is—you are happy with my comments, are you?, because back Kandahar, before we deployed to Tombstone, I got given this big war pride speech off Colonel Knaggs and he said that we we'd be—you, we would not deploy on the ground unless we were fully ready to go with the equipment we require, we were going to be the—we are the main effort... Well, that was a lie. I personally got lied to by a Colonel, because that was for the whole time we were there we didn't get the equipment we asked for, there was not enough of it...it never arrived. And, sir, it was wrong. That's about it."

As I say, those words have been expunged.

My constituent, Captain James Philippson, was the first soldier to be killed in action in battle, trying to rescue Sergeant Castle, whose words those were, when UK forces moved into the Taliban stronghold of Helmand. He died on 11 June 2006, while serving as part of a quick reaction force called out from Camp Bastion to rescue an injured comrade—someone who had been pinned down for over eight hours and whose patrol had been ambushed and was under sustained and heavy

attack in Sangin. Before reaching their comrades, the rapid reaction unit was also ambushed, and during that attack, Captain Philippson sadly lost his life.

An Army board of inquiry was subsequently convened to investigate the circumstances surrounding Captain Philippson's death, but it was not conducted correctly. However, crucially, the first Army board of inquiry uncovered issues surrounding equipment levels, such as those referred to by Sergeant Castle, in the quick reaction force that deployed, and it laid some of the blame—wrongly, as we now know—at the door of Captain Philippson's commanding officer, Major Bristow.

An inquest into Captain Philippson's death was held on 15 February 2008. Following the inquest, Andrew Walker, assistant coroner for Oxfordshire, gave a verdict that

"they"—

brave soldiers, fighting for us—

"were defeated not by the terrorists but by the lack of basic equipment."

He also noted that

"To send soldiers into a combat zone without basic equipment is unforgivable, inexcusable and a breach of trust between the soldiers and those who govern them."

Speaking to Radio 4 after the coroner's verdict, the Secretary of State for Defence, then the Minister for the Armed Forces, the right hon. Member for Coventry, North-East (Mr. Ainsworth), who is in his place, continued to stick to the line in the first Army board of inquiry—the flawed one—that

"Captain Philippson was killed as a result of poor tactical decision-making, a lack of Standard Operating Procedures and a lack of equipment".

Captain Philippson's family saw that as an attempt to lay the blame with the patrol commander, Major Bristow, despite the coroner's findings that the criticisms were not founded against Major Bristow and therefore not contributory to their son's death.

Captain Philippson's father, Tony, to whom I pay tribute for his dignity and strength in his fight to get to the bottom of this, and I met the Secretary of State on 18 March 2008, to seek an apology for his comments, which implicated Major Bristow and which, Tony felt,

"insulted the honour and integrity of the patrol commander, the regiment and [his] son's memory".

Following the meeting on 18 March, the Secretary of State refused to retract his comments, but in letters that followed he said that the Army may look into the production of its report and its apparent procedural error in failing to allow Major Bristow, Captain Philippson's commanding officer, a proper hearing under rule 11 of the Army board of inquiry rules. I have to say that it was like pulling teeth that day, sitting there, trying to press our case.

In a statement to the Press Association, an MOD spokesman said that this did not constitute a new board of inquiry or a reopening of the previous one. Despite that, in June 2008, the Secretary of State wrote to me to confirm that a second Army board of inquiry would be convened to examine the case, as the Army had identified some procedural errors in the conduct of the original investigation. He confirmed:

"These include the fact that, as I confirmed in my last letter, Major Bristow was not made a 'Rule 11' witness during the original BOI".

He went on to state:

"Given the procedural errors identified, the Army has decided to convene a new BOI to re-investigate the events prior to, and the circumstances surrounding, the death of Captain Philippson".

It was a huge battle to get to that stage.

The Secretary of State had relied heavily on the original board of inquiry report to cast doubt on the coroner's comments about his Department's responsibility for Captain Philippson's death through a lack of equipment. He effectively allowed the reputation of Major Bristow to be dragged through the mud, and gave himself a convenient hook on which to hang his failings over lack of equipment.

The report of the second board of inquiry was published last week, and rightly absolved Major Bristow of any responsibility for the incident, stating:

"It is the panel's view that the command and control of the Operational Mentoring and Liaison Team was not a contributory factor in the death of Captain Philippson".

I would like to point out quote J, in the anonymised version of the report, which said:

"The events of the night of 11 June 06 reflect considerable credit on those involved, especially"

Major Bristow,

"who showed both tenacity and courage in persisting with his intent."

The report noted:

"On 10th June 2006, Major Mackay highlighted a shortfall of firepower and night vision equipment during a presentation to the Commander International Security and Assistance Force. Major Bristow also submitted a number of requests for equipment in his Situation Reports. For example, in his report of 8th June 2006 he stated that night vision equipment was 'urgently required'; and that his main concern was 'extant Operational Mentoring And Liaison Team TEAM mission critical equipment'. He had not received any enhancements as a result of these requests prior to 11th June 2006."

The panel agreed that it was clear that

"the Operational Mentoring And Liaison Team were under equipped to carry out offensive operations independently of other UK Forces and to adequately protect themselves…and this is reflected in Major Mackay's review of 2nd May 2006…in which additional equipment was requested.

The Panel is satisfied that requests for additional equipment were submitted by both Majors Mackay and Bristow. However, the Panel has not sought to examine in detail what the minimum scaling requirement should have been at the time of the incident, or what additional equipment would have been available to be allocated".

The panel also accepted that

"The Quick Reaction Force did not have an infantry scaling of night vision equipment. Captain Jones estimates that they had one night vision device between four or five individuals."

The key issue is that, following Captain Philippson's death, Major Bristow made the decision to evacuate Captain Philippson's body and withdraw. The board of inquiry findings note that evacuation was challenging, arduous and dangerous, due to the weight of enemy fire. That necessitated pushing Captain Philippson's body through a narrow culvert, which could be done only after removing his body armour.

Those brave deeds, which were noted on the night, mean that the second board of inquiry has absolved Captain Philippson's commanding officer of any blame for the tragic incident in which he was killed by a bullet through the head. That smear on the reputation of

[Anne Main]

Major Bristow has been allowed remain for too long, and the Secretary of State has continued to use it to try to shift the blame away from the Ministry of Defence. I do not feel that that is acceptable behaviour, and I think the Secretary of State should today make a formal apology in public to Major Bristow, given the findings of the new board of inquiry.

Sadly, this is not the end of things. The final version of the report of the second Army board of inquiry had three small words inserted, compared with the draft that Tony Philippson had seen and agreed to. Those three words were "lack of equipment", and their insertion, which makes the report say that lack of equipment was not contributable, means that the matter is not at an end.

The Secretary of State for Defence (Mr. Bob Ainsworth): If any impartial study were made of the first board of inquiry, the coroner's report, my actual comments and the subsequent service board of inquiry, it would find no evidence that I had ever tried to besmirch the reputation of Major Bristow in any way at all. I had no control over the original board of inquiry, or the subsequent service inquiry; they were controlled by the Army. It is right to say that they came to slightly different conclusions, but I have never attacked the reputation of a serving officer, although the hon. Lady tries repeatedly to say that I did. She really should not try to suggest that I did.

Anne Main: I thank the Secretary of State for that intervention. Given his comments on the first Army board of inquiry, and the complete about-turn and the subsequent statement that Major Bristow is in no way responsible for the death of Captain James Philippson, I am sure that the Secretary of State will today take the opportunity to issue an apology to Major Bristow for any inadvertent slur—if it is inadvertent—on a serving officer. *[Interruption.]*

Madam Deputy Speaker: Order.

Anne Main: I am pleased that Major Bristow has been removed from desk duty, and is now in Baghdad, doing exactly what he wanted to do as a serving soldier. I shall conclude my remarks, as I am aware that other Members would like to speak, and I would very much like to hear what the Secretary of State has to say.

9.16 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am delighted to be called to speak, albeit at the tail end in what has been an excellent debate. There have been some outstanding speeches; the exchange between my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) and the right hon. Member for Pontypridd (Dr. Howells), a former Labour Minister, highlights the sort of genuine debate that can, from time to time, take place in this Chamber.

People in the House would expect me to seek to raise the matter of Zimbabwe, and I shall not disappoint them; I intend to raise that very issue. Today, I got an e-mail from friends in Zimbabwe entitled "What will Santa bring Zimbabwe?" I fear that it will not be a very happy or prosperous Christmas there. From all the information that I receive from Zimbabwe, it seems that a sense of uncertainty and foreboding is spreading, after a period of some progress.

That progress, of course, began with the formation of the unity Government, when the Movement for Democratic Change and Morgan Tsvangirai joined ZANU-PF in government, and Morgan Tsvangirai bravely became the Prime Minister of Zimbabwe. Whatever the truth of the situation in Zimbabwe, the community fears a return to the situation that prevailed in 2008. Businessmen fear that they will wake up one morning and find their hard currency accounts converted to a new local currency that is basically worthless, at a rate set by the Reserve Bank of Zimbabwe. They fear the imposition of restrictions on prices, and a return to the harsh regime of the recent past.

Of course, the progress took place because of the entry of the MDC into government, and because the Finance Minister, Mr. Tendai Biti, worked remarkably hard; he is an outstandingly able man, and he has started to put the economy of Zimbabwe back on the rails. However, because of what is happening, the slow recovery in the banking system has evaporated. A run on the banks has put severe strain on cash flows, and that is not helped by the information that the Reserve Bank of Zimbabwe has been misappropriating the reserves of the commercial banks. People are suddenly reverting to a strictly cash system.

Furthermore, the revelation that the Ministry of Youth Development, Indigenisation and Empowerment has clandestinely drafted new regulations that would expropriate, without compensation, 51 per cent. of the shareholdings of all foreign firms with a capital value of more than $500,000 has simply halted foreign development investment activity. Firms that have already invested in Zimbabwe have frozen their operations in that country, and those thinking about new investments have stopped all preparation and plans. That is the situation in Zimbabwe.

I quote briefly from an excellent editorial in *The Times* entitled "Mugabe's Lies". It says that Mr. Tsvangirai should be told that there will be no large-scale western help for his long-suffering people unless his power-sharing Government with the MDC—that is important to emphasise—halt police repression, curb the violence of Mr. Mugabe's "veterans", and ends the judicial hounding of Opposition leaders such as Roy Bennett, who is currently being tried for treason on utterly trumped-up charges. Mr. Tsvangirai, sadly, may be unable to deliver that message to a rather embattled President Mugabe, in which case, I believe, it is time that Mr. Tsvangirai and the MDC left the Government and enabled Mr. Mugabe to govern on his own.

However, there is a figure not very far away from Zimbabwe in South Africa. I refer, of course, to President Jacob Zuma, who has a far easier task in influencing Mr. Mugabe. With an estimated 3 million Zimbabwean refugees in South Africa, he has, as the leader of his country, a pressing need to end the violence and repression north of his border. He promised while campaigning for the presidency to take a much tougher line than former President Mbeki. It is now time—this is the advice that I hope he may take—to unplug the power, turn off the fuel lines and force a change in Harare. That is the only way in which change will be brought about.

Earlier in the debate I intervened on my right hon. Friend the shadow Foreign Secretary, who made the point that Mr. Mugabe would listen to other nations in southern Africa, particularly the nations that comprise

SADC—the Southern African Development Community. I pointed out to my right hon. Friend that Zimbabwe has ignored a decision taken by the SADC tribunal in Windhoek, Namibia which ruled in support of a family whose property rights were being taken apart by the "veterans" of ZANU-PF and Mr. Mugabe. Sadly, we have an example of Mr. Mugabe being prepared to cock a snook at other countries which reach an impartial decision relating to what is happening in his country.

On a different subject, I am delighted that the Secretary of State for Defence is present. I shall not raise the matter of armoured personnel carriers. I leave that to my hon. Friend the Member for Congleton (Ann Winterton), who has made a great study of it and often clashes with the right hon. Gentleman. I want to raise the matter of the Nimrod aircraft. I am very interested that the RAF should get the best possible replacement for the Nimrod R1 and in retaining the standard capability that has been built up by that aircraft over more than 50 years. The industrial, employment and operational considerations coincide, and all of them are in favour of the adoption of the BAE Systems proposed Nimrod MRA4-based solution.

I hope this issue is taken seriously by the Secretary of State and his ministerial colleague: I speak here on behalf of the trade unions at BAE Systems at Woodford, both shop floor trade unions and the staff trade unions, which have displayed such outstanding loyalty and co-operation with BAE Systems over many years. Their concerns should be recognised and properly considered by the Government. I hope that even at this stage the Government may consider not proceeding with the purchase of the Rivet Joint aircraft because it is possible for the BAE Systems proposal to be taken forward.

Why can we not extend the life of the Nimrod R1, which has been doing such wonderful work? Unfortunately, however, I am told by US sources that the selection of individual airframes for the RAF Rivet Joint conversion has already taken place, and that the programme seems to be moving ahead. Indeed, US contacts—I refer to the US air force and the industry—find it unbelievable when they are told that the RC-135 solution has not yet been formally selected, as far as I know, and is not under contract, such is the impetus that they can see to the end of their programme.

The electronic warfare and avionics detachment at RAF Waddington, the unit with design authority for the R1 aircraft's mission system and responsibility for its installation, modification, replacement and calibration, is being run down to a timetable that is commensurate with an R1 out-of-service date of 2011. I heard only very recently that the first R1 has already been withdrawn from service and will end up in a museum. Will the Secretary of State confirm that a second R1 is also scheduled to be taken out of service and, perhaps, sold to the RAF museum at Duxford? That may not be accurate, so I should appreciate an honest answer to the question about whether the R1 is being withdrawn, because there is no reason why its out-of-service date could not be deferred to 2015. I could ask a number of questions. There is a cost to taking the R1s out of service, but how much will that be? Rolls-Royce has a penalty clause in its contract. How much will that be? How much would it cost to extend the life of the R1 to 2015?

There is no reason why the R1s cannot continue in service until 2015, not least because they are safe. They have not been exposed to the same adverse conditions as the MR2s and, as the Secretary of State knows, they have just undergone a very big maintenance programme. The Rivet Joint, which is the alternative, cannot meet the in-service date either, and it has been estimated that each aircraft would require 18 months to convert, hence a programme of some four and a half years. At this late stage, cannot the Secretary of State support the Prime Minister, who has talked with great sincerity—and I believe him—about manufacturing? Manufacturing provides jobs, so cannot the Secretary of State supply British jobs for British aircraft in a British factory: BAE Systems at Woodford, which lies at the edge of my constituency? I believe in that work force, and I believe they deserve the Government's support. Can the Secretary of State give them a reassuring answer when he makes his winding-up speech?

9.28 pm

Dr. Liam Fox (Woodspring) (Con): This has been a very good debate, and I apologise to Members from all parts of the House if the pressure of time means that I am unable to underline some of the particularly good individual contributions that have been made.

It is no surprise that a great deal of today's debate has focused on Afghanistan. In general, the issues that were focused on fell into four groups: why we are in Afghanistan; the cost of defeat in Afghanistan; what we mean conceptually by winning; and the need for consistency in messaging. Several Members, including the Foreign Secretary and my right hon. Friend the shadow Foreign Secretary, made the point that we are in Afghanistan for national security reasons. We initially went in to deny al-Qaeda the space from which it launched those attacks on the west in which many thousands of innocent people, including British citizens, died. That was achieved relatively quickly, but we must continue to deny al-Qaeda the space. We also need to stop the contamination and potential destabilisation and, indeed, collapse of Pakistan. In other words, we need to see what is happening in Afghanistan in geopolitical, not social, terms.

As a number of my right hon. and hon. Friends said, we cannot conflate the military mission with the reconstruction mission. If we try to describe in reconstruction terms the reasoning for undertaking a national security mission, we are likely to confuse the British public further. We also need to be consistent in our messaging. We are either in Afghanistan as a result of a national security imperative or we are not; we cannot change the reasoning week by week. If one week we say that we have to see the mission through, we must not later send the mixed signal that we would not be there if we could possibly avoid it.

My right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) made one of the best speeches that I have heard him give in opposition. He asked what was different now from the situation when Russia attacked and occupied Afghanistan. He gave a number of examples, including the fact that the Mujaheddin had widespread support that was militarily and politically well beyond the boundaries of Afghanistan. The Taliban do not; they are a small and isolated grouping.

[Dr. Liam Fox]

I should like to add to my right hon. and learned Friend's arguments. We have seen the emergence of China. Someone mentioned earlier that Afghanistan had pretty much nothing going for it. China, however, has made a major investment in the copper deposits there and that offers a genuine opportunity for Afghanistan to make a positive contribution to the global economy. Since the Russian invasion, we have also seen the emergence of a genuinely globalised economy with the opportunities that that brings. Afghanistan now has a democratic Government, who may not be up to the standards that many in the west want, but they are certainly an improvement on what was there before.

My right hon. and learned Friend also concentrated on what he regarded as the three most important elements of strategy: the training of the Afghan national security forces; the need in the longer term for continuous military support through air support; and the need for political progress while accepting what is possible and in what time scale. My right hon. and learned Friend is fond of quotations. In backing up what he said, I remind him that in 1972, the great Pashtun activist Khan Abdul Wali was asked by a journalist to what he owed his first allegiance. He replied:

"I have been a Pashtun for six thousand years, a Muslim for thirteen hundred years, and a Pakistani for twenty-five."

We need to understand the history and complexity of the region in which we are involved.

We have to add one more element to the strategy: General McChrystal's concept that the centre of the insurgency is population-based, and that we have to have a population-centric result. As the general said, we need to shift our emphasis, not to how many of our enemies we kill, but to how many we shield in safety in the Afghan population. We need to see through that security, which we promised from the outset.

As has been said in the House before, we have to have a change of mindset. In a counter-insurgency, a defection is better than a surrender, a surrender is better than a capture and a capture is better than a kill. We will need to see such a change if the American response is to be closer to General McChrystal's assessment. I would say to the hon. Member for Thurrock (Andrew Mackinlay), if he were still in his place, that I have always found the general's assessment compelling.

My right hon. Friend the Member for Haltemprice and Howden (David Davis) talked about what a disaster it would be if we withdrew precipitately. That message was echoed by other Members. It would be a disaster for decent Afghans trying to achieve a better life, many of whom have been willing to sacrifice their own security to help us in the conflict. We cannot betray them. It could be a disaster for Pakistan and for the broader concept of the western alliance. What cohesion or credibility would we have if we pulled out unilaterally? That message was echoed by the hon. Member for Halton (Derek Twigg) in his speech.

My hon. Friend the Member for Newark (Patrick Mercer) said that nowhere was our reputation more important in this context than in our relationship with the United States. After Iraq, including Najaf and Basra, we have to be extremely aware of the reputation of our armed forces. We must give them the support that they need to do the jobs that we have asked them to do.

Pakistan was touched on by several hon. Members, and it has four problems that we need to understand. First, there is an economic crisis in the country, and the Government are struggling to keep their chin above water. That will go on for some time and will require a huge amount of international aid if we are to give the Government the support that they will need for stability. Secondly, there is an endemic political problem in Pakistan with the structure of its democracy. Sometimes I think that we have a cartographer's view of the world—drawing a border around something makes it a country, and it can be treated in the same way as we would treat neighbouring European states. But Pakistan is not like that. Its political structure is prone to becoming a regional winner-takes-all set-up, and therefore internal political stability is difficult to achieve. Thirdly, Pakistan is militarily designed for state-on-state warfare. Its armed forces are shaped for that and, because of the continuing tensions with India, many Pakistani forces are prepared for deployment in that direction. They therefore do not have the means to deal with the fourth element, which is the anti-insurgency, anti-terror action that we are now demanding of them.

We need to understand some of the regional complexities. Most of the Pakistani army speaks Punjabi. If they are stuck up in the north-west, they will not even speak the same language as the people whose security they are trying to guarantee. If the international community gave Pakistan more support and perhaps less criticism, it would be able to assist us more than it is sometimes able to do, given some of the rhetoric that comes from some of the countries supposedly helping it. In particular, we should look to countries such as Saudi Arabia to offer greater support to Pakistan, especially its organs of state, than they have done in the past.

When we have a mission such as that in Afghanistan, for which public support is diminishing—everybody in the House has to accept that that is happening—it is very tempting to come up with a timetable that suggests a way out, once we get to x date. Timetables are both wrong and dangerous. Yes, we need benchmarks to determine our success and to show us that our aims have been achieved, but they should not be marks on a calendar. Timetables risk undermining the confidence of our allies, who wonder if our hearts are really in it—if we have the moral fortitude to see through what we have described as a national security imperative. Introducing a timetable also runs the risk of reinforcing the confidence of our enemies, because it tells them that if they can only outlast us, they will be victorious. That is the greatest danger we face, undermining the morale of our own forces. Tempting though it may be in the short term for politicians, it is wrong for all sorts of reasons.

Adam Price: If our allies are so concerned about timetables, why did President Obama, in his interview about Afghanistan on CBS television this week, say that the American people need to know what the strategy is and how long it will take?

Dr. Fox: It is important that we set out benchmarks by which we will be able to determine success, so that our electorates are able to see if we have achieved them,

but that is very different from setting out an artificial time scale and then trying to make events fit it. It is wrong for all those reasons, and we must not be tempted to go down that route simply because it might buy a couple of points in the opinion polls in the short term. It is the wrong approach to a military campaign.

An interesting point arose earlier in one of those great moments of clarification that we all hope to witness in these debates. The Liberal Democrats told us that the war in Iraq was illegal and the reason that they had supported the war in Afghanistan was because it represented their commitment to multilateralism. On that logic, I assume that if being in Afghanistan is part of their commitment to multilateralism, it would be intellectually inconceivable to have a unilateral withdrawal, whatever the opinion polls said. I now turn to the spokesman for the Liberal Democrats to see that that is a correct understanding of his party's position.

It is important what that silence says. I am not sure how *Hansard* will record the importance of that non-response, but all those present in the Chamber can understand exactly what it means.

We had much discussion about the importance of NATO, which leads on to the speech by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who spoke about the extension into the alliance of the concept of European defence co-operation. I accept that there is a role for the European Union where NATO cannot or will not carry out a particular mission or function. However, that role should be on the basis of additionality and not be a substitution for the commitments already signed up to in NATO membership. In other words, people simply cannot say, "We're not going to do the war fighting in NATO; we're only going to use our contributions for peacekeeping missions of the European Union." Therein lies the danger, because countries cannot have endless caveats and still be part of the NATO alliance. Sometimes we have to fight for peace and sometimes we have to die for it. We certainly have to be willing to pay for it, but if we have the concept of double-hatting or even triple-hatting, or if we have duplicating structures, they are not likely to strengthen NATO as the element of primacy in our defence, but weaken it.

When it comes to the promotion of Baroness Ashton to her new European role, I would like the Secretary of State to confirm just one thing for us in his speech this evening. Will she take up her role as the head of the European Defence Agency, as set out in the original treaty? We simply cannot accept a supranational role for procurement inside the European Union. Procurement must be a national decision, based on sovereignty, with co-operation with others where we think that co-operation is in our mutual interests, but we should not have it forced upon us. Ultimately, joint procurement must be about procurement that gives us interoperability with those who are most likely to fight on the ground with us. When we look at what is happening, it is clear that that will primarily be the United States. There is a strong case in Europe for looking at our co-operation with the French, for example, but at present it does not go beyond that. Therefore, we could not accept wider co-operation.

My hon. Friend the Member for North-East Cambridgeshire (Mr. Moss) talked about the middle east. He was one of the few people who talked about the positive achievements that can occur on the west bank. He talked about Jenin, where we can see the fruits of economic and political co-operation. There was widespread support in all parts of the House for a two-state solution.

My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) talked about the western Balkans and the need to maintain the momentum of the Tadic Government towards EU membership, because instability in the Balkans has historically been hugely detrimental to this country's security.

The hon. Member for Ilford, South (Mike Gapes) talked about Sri Lanka. He knows of my long involvement in Sri Lanka. Twelve years ago I negotiated an early part of the peace negotiations there. Victory over the Liberation Tigers of Tamil Eelam is something that we should all celebrate. It is also something that many of us did not think possible. There is no doubt that Sri Lanka is at a crossroads. It has a wonderful opportunity to take a new direction. In short, Sri Lanka has to choose whether it wants to be Burma or Singapore. Sri Lanka can take the correct route at this crossroads only by having a one Sri Lanka policy, by having a reconstruction that is ethically based, not ethnically based, and by recognising that every citizen has to be judged by the value that they bring to the new Sri Lanka, not by any previous measurements of where they come from, nor by race or religion. As members of the European Union, we have to be careful not to lecture too much or give too few incentives in a country that is beginning to move very much in the right direction.

We talked briefly today about Iran—about the problems that we face, about the nature of the regime, about the human rights abuses occurring there, about Iran's willingness to export terror and instability and about the fact that if Iran becomes a nuclear-weapon state, we face a nuclear arms race in that part of the world, which is not something that we want to leave to the next generation.

Finally, to return to Afghanistan, we need to get the strategy right. We need to dispel some of the anti-war defeatism that exists in parts of our country. I do not believe, as someone said earlier, that our soldiers have died in vain. Sadly, to say that only gives comfort to our enemies. The selfless sacrifice of our forces makes it all the more important that we get our strategy and tactics right. It is our duty to them to be clear why we are there, to be clear about the danger of losing and to understand what we mean by winning.

This has been a good debate. We have enjoyed the least controversial part of the Gracious Speech, on which there has been a good deal of cross-party consensus, in contrast to some of the other elements of the Queen's Speech which, I am afraid, have seen a flagging Government increasingly resorting to the fantasy world of their bunker. This must be the first time that Her Majesty has been required to read out a living will. The general election cannot come quickly enough.

9.45 pm

The Secretary of State for Defence (Mr. Bob Ainsworth): I have even less time than the hon. Member for Woodspring (Dr. Fox).

We have had an excellent, wide-ranging debate that, understandably, had an emphasis on Afghanistan. I should like to follow that pattern, but first I want to pay tribute to all those, including those from our armed forces, who have been helping to rescue people from the

[Mr. Bob Ainsworth]

floods in Cumbria. In particular, I want to pay tribute to the Sea King helicopter crews and the military mountain rescue teams who have worked tirelessly to get many people to safety. Protecting our citizens at home is a core part of the work of our armed forces, and we should never take that for granted, even when there are considerable pressures elsewhere.

I hope that right hon. and hon. Members will forgive me if I now confine my remarks to defence business, and mainly to Afghanistan. At the outset, however, I want to make a quick reference to Europe, as it relates to defence. In the world today, no nation—not even the United States—can hope to protect its national security or promote its national interests on its own. Of any single country in existence today, however, the United States has the greatest capacity to project power, and that is likely to remain the case for the foreseeable future. It is the key element in NATO's effectiveness as a vehicle for deploying military force, and the key reason why NATO is and will remain the bedrock of UK defence.

The European Union has in recent years developed the ability to deploy military force, specifically to complement its civilian capability and its economic influence in managing crises such as those in the Balkans and Africa. When looking for partners for operations of that nature, and in consultation with NATO, the EU has great potential to be a force for good in the world. I welcome and encourage the efforts of the EU member states to improve their capacities, not least because, for 21 of them, those capacities will also be available to the alliance.

Let us be clear, however: each European nation has national armed forces. There is no prospect of a European army, and each nation will continue to decide on the deployment of its national forces—just as they do in NATO. However, we must have a rational debate in the UK about closer European military co-operation, common procurement and interoperability. The European Defence Agency is designed to promote that closer military co-operation and common procurement as a key part of the European security and defence policy—the ESDP.

The recent developments on the European helicopter initiative are extremely promising. It is a multilateral initiative that includes pilot training sponsored by the European Defence Agency, and with good co-ordination between NATO and the EU. On this side of the House, we are committed to military co-operation in Europe. The Foreign Secretary has referred to the policies of the Conservative party. Is pulling out of the ESDP, the European Defence Agency and the helicopter initiative part of their agenda for isolation and marginalisation in Europe?

Sir Menzies Campbell: The right hon. Gentleman did not get an answer to his question, but if he had asked the same question in Washington, he would have found very considerable support for a European security and defence policy.

Mr. Ainsworth: That is why it is not in this country's interests to adopt the policies of the Conservative party, which would do us no good in the wider councils of the world, never mind in the European Union.

Let me now turn to Afghanistan—

Ms Gisela Stuart: Will my right hon. Friend give way?

Mr. Ainsworth: No, I am afraid that I have very little time.

The operations of NATO and other coalition allies in Afghanistan are vital to the national security of the UK, to our allies and to international security more widely. When the Afghans are themselves able to defend the security of their people and deny the territory of Afghanistan as a base for terrorists, we will have succeeded and our troops can come home. At the moment, it is a tough fight, and the sacrifice has been significant. This year alone in Afghanistan, 98 UK troops have been killed, while the coalition as a whole has lost 481. These are brave and courageous people, every one.

From the military point of view, we have taken essential steps in the right direction this summer. In the south, the spiritual home of the Taliban and the centre of the insurgency, the inflow of thousands of additional troops has enabled the Afghan Government to extend their authority around the main population centres. Try as the insurgents might, they failed significantly to disrupt the first Afghan-led elections. This is a measure of the progress that has been made, but the elections have proven to be messy, imperfect and drawn out. As the Foreign Secretary set out at the beginning of this debate, the commitment of President Karzai to reach out to his opponents to promote national reconciliation, to strengthen the Afghan security forces and to stamp down on corruption is now crucial.

Last week, the Prime Minister and the Foreign Secretary set out clearly the way ahead—building on the McChrystal report, setting out our political strategy and the essential steps required by the Afghan Government. The use of military force to bring security is a means and not an end. It will be the simultaneous application of politics, good government, and economic and infrastructure development that will consolidate success. We are competing for the support of the Afghan people, in every village, in every home and on every street. Only a comprehensive approach that marries security to governance—one that is people-centric and supports a robust political strategy—will meet our collective objectives in Afghanistan.

That is why the new UK force level of 9,500 that we have set out in principle must be part of a wider commitment by the alliance on both strategy and delivery. Each member of NATO must at this crucial time consider the size of its commitment and revisit the role their troops are playing on the basis of a commonly agreed strategy. Clearly, the US, as the largest contributor, leads this process. The UK is stepping up efforts to persuade our European NATO allies collectively to pledge 5,000 more troops to operations in Afghanistan. I am confident that progress will be made and I look forward to each member of the coalition clarifying their commitment.

Paul Flynn: If President Obama announces a policy of retreating from the countryside to the cities, will we support it?

Mr. Ainsworth: We have been in discussions with the American Administration at every level—Prime Minister to President, for example, and I spoke to Secretary Gates on Thursday. I think that General McChrystal's

direction of travel is in line with our own thinking and I am confident that when the announcement is made, it will be in that direction. I therefore hope that my hon. Friend is wrong and that we continue to be committed, with the appropriate level of forces, to a counter-insurgency operation in Afghanistan.

I understand the strength of public feeling when confronted with the reality of the fighting. Progress has come at a heavy human cost. I also understand when there are questions about whether or not the sacrifice is worth it, but we cannot afford to be half-hearted in Afghanistan—and neither can we afford to be so here at home. The Taliban cannot defeat NATO in the field. They will attempt to outlast us; they will hope to sap support at home; but they will succeed only if we lose our resolve. If that happened, the result would be Britain less safe, NATO diminished and the terrorists resurgent.

I am a little kinder to the Liberal Democrats regarding the comments made here tonight. I would take them as a reaffirmation of their commitment to the operation in Afghanistan and a rowing back from the speech made by the right hon. Member for Sheffield, Hallam (Mr. Clegg) at the Liberal Democrat conference. I would like us to be able to send a clear message to our troops that we have the entire support of the House and all the parties in it for the operations in Afghanistan.

Afghanistan is and must be the main effort for defence. Last month, in the defence policy debate, I set out to the House the steps that we have been taking on equipment, personal protection and capability more widely: to target directly the threats of IEDs; to provide commanders on the ground with further tactical flexibility to get the job done; and to provide better protection for our troops. Additional spending on operations in Afghanistan has risen to reflect the situation, from £700 million in 2006 to more than £3 billion this year, on top of the defence budget of more than £35 billion a year.

I make no apology for making Afghanistan the main effort for defence, not only through drawing on the Treasury reserve but by looking at how the core defence budget can support the effort too. It is right to do that, particularly in the current fiscal climate. The Treasury will continue to fund urgent operational requirements and the net additional costs of operations. However, by taking tough decisions and choices, we will reprioritise the defence budget to fund additional enhancements that will directly support the mission in Afghanistan. We will also work to adjust our defence programme to bring it into balance with future requirements and resources through the current planning round.

In each of our decisions, the following principles will apply. First, each decision will be tested against its effect on the operational requirements in Afghanistan as the main effort for defence. Secondly, each will be a contribution to bringing the defence programme into balance, both in the short and long term. Thirdly, we will avoid as far as possible significant decisions on capability which should properly be made as part of a strategic defence review.

Defence will have to maintain credibility in its primary role as the ultimate guarantor of territorial integrity, and engage abroad at differing levels of intensity, preventing and resolving conflicts in order to protect our national security and pursue our national interests. The defence review will be designed to get the posture right for the years ahead.

Let me respond to some of the points made today. In opening the debate, the right hon. Member for Richmond, Yorks (Mr. Hague) raised the issue of Bulldog, which has been widely reported in the press. Some people who criticised the decision have relatively short memories. We took decisions to upgrade Bulldog in 2006 when, if people wish to recall, we had only just gone into Helmand province, and our troops in Basra were running convoys into and out of an aggressive environment. There was an absolute need for an upgraded armoured vehicle. Bulldog in part met that need, and was well thought of at the time.

The priority then was saving lives in Iraq. We were of course trying to bring other vehicles, such as Mastiff, into the supply chain as quickly as possible, but the upgrading of Bulldog also made a considerable contribution to meeting the threat faced at the time—not in Afghanistan, for which it was never intended, but to ensure the safety of our troops who faced indirect, rocket-propelled attacks on armoured vehicles in the Basra area of Iraq. It did the job that it was required to do.

I am afraid that I am running out of time, so I shall write to the right hon. Member for Richmond, Yorks on his points about what the Prime Minister said.

The Foreign Secretary has set out how the Government's active multilateralism and internationalist outlook have given Britain real influence in the world over the past 12 years. The courage, commitment and professionalism of our armed forces are key components in that success. It is an honour to serve as Secretary of State for Defence. In this Session, I will ensure that Afghanistan is the main effort for defence, that our troops get every support necessary to get the job done, that we seek to balance our books at this difficult financial time, and that we prepare our forces to face the threats of the future. That is the right and responsible action.

10 pm

The debate stood adjourned (Standing Order No. 9(3)).

Ordered, That the debate be resumed tomorrow.

Business without Debate

DELEGATED LEGISLATION

Ordered,

That the Motion in the name of Ms Harriet Harman relating to the House of Commons Members' Fund shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice of a motion has been given that the instrument be approved.—(*Mr. Frank Roy.*)

ADJOURNMENT (CHRISTMAS)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Wednesday 16 December 2009, do adjourn till Tuesday 5 January 2010.—(*Mr. Frank Roy.*)

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 25 November (Standing Order No. 41A).

DELEGATED LEGISLATION

Ordered,

That the Merchant Shipping (Light Dues) (Amendment) Regulations 2009 (S.I., 2009, No. 1371), dated 8 June 2009, be referred to a Delegated Legislation Committee.—*(Mr. Frank Roy.)*

DELEGATED LEGISLATION

Ordered,

That the Non-Domestic Rating (Deferred Payments) (England) Regulations 2009 (S.I., 2009, No. 1597), dated 30 June 2009, be referred to a Delegated Legislation Committee.—*(Mr. Frank Roy.)*

DELEGATED LEGISLATION

Motion made,

That the Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009 (S.I., 2009, No. 2542), dated 18 September 2009, be referred to a Delegated Legislation Committee.—*(Mr. Frank Roy.)*

Hon. Members: Object.

DELEGATED LEGISLATION

Ordered,

That—

(1) the draft Census (England and Wales) Order 2009, which was laid before this House on 21 October, in the previous Session of Parliament, be referred to a Delegated Legislation Committee;

(2) if, after the Committee has reported the Instrument to the House, the Motion in the name of Tessa Jowell relating to the draft Order is made, the Speaker shall put forthwith—

(i) the Questions on any amendments to the Motion which he has selected and which may then be moved, and

(ii) the Question on the Motion, or on the Motion as amended; and

(3) such Questions may be put after the moment of interruption and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr. Frank Roy.)*

SITTINGS OF THE HOUSE

Motion made,

That—

Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

(1) In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Mr. Frank Roy.)*

Hon. Members: Object.

COMMITTEES

Business, Innovation and Skills

Ordered,

That Mr Adrian Bailey be discharged from the Business, Innovation and Skills Committee and Ian Stewart be added.—*(Mr. Frank Roy, on behalf of the Committee of Selection.)*

Work and Pensions

Ordered,

That Mr Mark Harper be discharged from the Work and Pensions Committee and Chloe Smith be added.—*(Mr. Frank Roy, on behalf of the Committee of Selection.)*

Cowboy Builders

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Frank Roy.)*

10.2 pm

Dr. Vincent Cable (Twickenham) (LD): I am grateful for the opportunity to raise a subject that represents a familiar problem for many Members of Parliament. I was prompted to raise it by a significant number of specific constituency cases, but I recognise that it is a big national issue. The consumer organisation Which? estimates that consumers are currently spending some £2 billion a year on dealing with faults after being misled by contractors in various ways, and there are roughly 100,000 outstanding cases—probably more—on the files of trading standards officers.

It is not just that a large number of households have been caused considerable difficulties by builders whom they have contracted; the problem is very damaging to the wider economy. If there is any single measure that would breathe life into the British economy and create a large amount of employment, it is a big burst of housing maintenance and improvement, but people are often inhibited by worries about quality.

I want to draw attention to a handful of cases. I have six on my books at the moment from my advice surgeries, and, although they illustrate different aspects of the problem, they all have certain things in common. First, the individuals concerned were careful. They were not duped. They went through a number of tests to establish whether those with whom they were dealing had proper qualifications. They tried to make staged payments. They did all the things that people are advised to do. Secondly, behind many cases in which problems were encountered with cowboy builders was a familiar story. For example, some contractors who go bankrupt subsequently reopen under new names. The so-called phoenix company technique appears to be quite common at that end of the trade. More seriously, many of the established remedies, obtained through the trade body—the Federation of Master Builders—the courts and trading standards officers, proved wholly unsatisfactory.

I recognise that the Government have in the last decade put quite a lot of effort into trying to put in place a better regime to protect consumers. A decade ago, the cowboy builder working party was dealing with this, and it led eventually to the charter mark called the quality mark, which was established in 2000. The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) put a lot of effort into getting that system going. It was well intentioned, but it did not work. More recently, we have had the TrustMark system, but, as I will illustrate from a few examples, that is not working well either.

Let me cite a few examples, as they will serve to illustrate the general principle. Most of the people who have come to me do not want to be named; in some cases, fear of intimidation is a factor. I will start with Mr. Williamson, however, who is sufficiently indignant to be happy to be identified, by recounting his experiences with one particular company or set of companies, variously known as M. D. Lockyer Builders Ltd or M. D. L. B.

Lest it be thought that I am picking on this company, I should point out that, completely out of the blue and after I had secured this debate, in my

Friday evening surgery last week another constituent came to me with very similar problems with the same company.

I was approached by Mr. Williamson last May. He gave me a hair-raising account of poor workmanship, loss of his own personal possessions, threats and intimidation, but what was particularly significant were the problems he encountered once he tried to establish remedies through the established channels. This company was accredited to the Federation of Master Builders, so he went to the FMB and sought an adjudication, which was the proper procedure. The adjudicators found in his favour and awarded him £6,230 plus VAT, but the contractor simply did not pay the money. Mr. Williamson also had to pay a fee for the adjudication—£632, which was his half of the costs—but, again, the builder did not pay his half and the matter was just left hanging. Partly as a result of this judgment, the FMB expelled this company—it did so in September of this year, I think—but the company continues to use its logo; I checked on the company's website this weekend. Moreover, it carries the highest prestige logo, something called MasterBond, which carries with it the Government's own scheme accreditation, the TrustMark standard. That continues to be displayed, and there appears to be absolutely no way of getting it removed.

The constituent sought other remedies. He went to the trading standards department of the local council, but he was not able to make any further progress. He went to the police, too, because he suspected that fraud was involved, but the police felt this was predominantly a civil matter and were not able to help.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman refers to local authority trading standards departments. Might it not be worth while going to the local authority building control department? Does he hope that the Minister will refer to the role of such departments in his response to the debate, because they have essentially been privatised over the last 10 to 12 years, in favour of approved inspectors, and they have not got the resources for enforcement that they should have?

Dr. Cable: That is an important point. I was not going to raise it, but I am grateful to the hon. Gentleman for doing so, because it raises a new dimension of uncertainty and lack of satisfactory underpinning to the regulatory regime.

However, I just want to round off my constituent's case by mentioning that in the course of his research he discovered another resident who had paid something in the order of £120,000 to this contractor and was left with a shell. This appears to be a pattern, therefore.

A second constituent had a completely unrelated experience involving another contractor called Grey Fox. This lady commissioned an eight-week project, costing contractually £25,000. Twenty-four weeks later she had a very big hole in the front of her house and two extensions, neither of which was completed at all satisfactorily, and the contractor simply walked away. The company was dissolved, she was unable to get any further satisfaction, and her £25,000 project ended up costing £65,000 with another contractor. On doing some research, she discovered that this company was in the habit of carrying out its business in this way.

A third case illustrated the difficulties and frustrations of going to court. My constituent pursued a dispute with a cowboy builder through the courts and was awarded £17,000, but the company simply did not and would not pay. He then got a charging order on the house of the contractor but was unable to force it through; the contractor had a family—six children—and the judges were very reluctant to allow the charging order to be taken any further. My constituent still has not got his money, despite using the courts.

The case of another constituent proved the limits of what people are often advised to do, which is to get a warranty. He got a 25-year warranty with a company called Gill Builders, which completed a shoddy piece of work in respect of a leaking roof. He went along with his warranty to ask the company to repair it, but the contractor declined to take any action. It was clear that the warranty had no legal force.

My final case illustrates the difficulties faced by the very careful consumer who makes carefully calibrated staged payments to limit their exposure. This particular constituent, who was dealing with a company called W. Brown of Feltham, managed to limit his exposure to about £1,000 through carefully staged payments. When he got into dispute with the builder, he went to the Federation of Master Builders only to discover that in order to resolve a dispute it costs £110 an hour plus VAT for an adjudicator. So anything that takes more than a few hours is simply not worth pursuing if the outstanding sum is less than £1,000—for some people that is a lot of money. He was then advised to go to court, but getting legal representation would have cost a minimum of £500. The courts system is not helpful in dealing with small claims of that kind and for many people the loss of £1,000 in a dispute with a builder is a very serious matter.

Those are some examples of the problem, and they illustrate different points. What general conclusions do I reach and what should be done about it? First, we face a big problem of complexity. Lots of different means are open to people to establish the quality of the contractors that they deal with, but there is no common set of values against which they can be judged. It is very complicated and difficult for consumers to find their way in the system. They could, of course, become part of a membership organisation, such as Which?—they would have to pay for that—but the lack of a standardised system is one of the central weaknesses in this area.

Let us consider the Government's initiatives, because I recognise that they have tried to get to grips with this problem. The quality mark scheme, which was introduced by the right hon. Member for Greenwich and Woolwich, tried to introduce high quality standards; I believe that it involved a financial audit requirement and a one-day inspection. The problem was that the scheme required expenditure on the part of the building company to get the accreditation—about £500 per annum for a middle-sized building contractor—and so very few of them did it. Thus, very few companies signed up and the scheme, in effect, folded in about 2004.

The Government then introduced the more modest TrustMark scheme, which is less demanding of companies; it provides a credit search and a search of the county court records. The problem with this scheme—this is what I hope the Minister will update us on—is that it seems to have limited coverage. Perhaps he will be able

[Dr. Cable]

to tell us how many companies and roughly what proportion of the industry it covers. The scheme also seems to have great difficulty in screening out some of the bad eggs. I did a quick search with my caseworker this weekend and we found that none of our reputable, highly regarded contractors were on the list covered by this scheme, but Mr. Lockyer's company was. In addition, as far as I can establish, there is very little support for the scheme. Perhaps the Minister could give us an up-to-date assessment of the Government's view about how well the scheme is working, and how it could and should be adapted.

My final point—this is a suggestion—is that that scheme and the approach to this problem in general would be greatly helped if there were a single point of contact, so that people who are contemplating a big home extension and people who get into difficulties with a particular contractor have a single place to which to go in order to have it established what the exact status of the company is, and whether there have been disqualifications or county court judgments; we are talking about a proper health test of the company concerned. The best place to do that, probably, is in the trading standards departments of local councils through a standardised database to which they could all refer. Has the Minister considered that? What are the practical problems that might be involved in doing it?

10.15 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): As is customary, I congratulate the hon. Member for Twickenham (Dr. Cable) on securing this debate on an important subject about which I am sure other hon. Members have concerns from their casework in their constituencies. Clearly, any expenditure on building repairs or improvements to our home represents an investment in our future. It is not a decision that people should take lightly or make hastily and, as the hon. Gentleman pointed out, his constituents did not do either of those things.

Any of us who have been through the experience of engaging builders personally are aware of how stressful and expensive that can be. Obviously, when things go wrong it has both a personal and a national cost. It leaves people with continuing repairs to deal with and to pay for, it puts them off having other work done in the future and it damages the reputation of the building sector as a whole. This is all at a time when the vast majority of hard-working and law-abiding skilled workers who make up this industry in Britain have been hit hard by the recession.

The hon. Gentleman estimated a cost of £2 billion—the estimate I have is £1.5 billion—but we know that the cost of botched home improvement work and the waste that it entails, even without taking into account the millions more in lost business opportunities to our economy, is very significant.

Finding the right builder has always been important. Obviously, there are new methods available to consumers. The internet has given greater access than ever before to information on the range of building companies and services available in the UK, but navigating one's way through the mass of information can be confusing and difficult at the best of times, without the added pressure of often needing the work done quickly and cost-effectively.

In addition, such sites do not always make it clear that many online registers accept builders' details without undertaking checks on their competence or on the business acumen of the companies listed, and also operate with no procedures for dealing with unhappy customers. The criteria to join such schemes can range from companies being asked to pay a standard fee for a listing, or to supply three "recommendations" for inclusion.

The hon. Gentleman acknowledged that over the past few years, the Government have been working hard with the UK building industry and leading consumer protection groups to help consumers cut through the maze of information and understand exactly the type and quality of information on which they are basing their purchasing decisions without—as he stated elsewhere today, in an article that I have read—introducing unnecessary and burdensome regulation into the system.

In 2006, as the hon. Gentleman rightly said, the Government created TrustMark, which is a non-profit scheme to give the public greater peace of mind that the builders they hire in the domestic repair, maintenance and improvement sector will do a fair day's work for a fair day's pay, and to a high standard. In answer to his question, I can tell him that the TrustMark scheme now has approximately 20,000 individual firms registered as TrustMark members. Obviously, that constitutes about 20 per cent. of the membership of the Federation of Master Builders, but I accept that this industry has a large number of small companies the vast majority of which are not registered with the FMB.

The scheme allows builders to sign up and commit to a continuous and rigorous assessment of their work and trading position. A firm's technical skills are independently assessed via regular on-site inspections. Checks are also undertaken regularly on each individual company's trading record and financial status, as well as on the quality of its work, business practices and delivery of customer satisfaction.

TrustMark companies have also signed up to a Government-endorsed code of practice that includes the provision of guarantees, compliance with good health and safety practices and access to follow-up customer care and means of redress if required. For example, consumers who employ a TrustMark company can expect to be offered an insurance-backed warranty for the work that has taken place. Deposit protection insurance is available to consumers in the event that the firm should cease trading. Businesses are equipped to tell a customer about any building regulations they must comply with, and provide certificates where appropriate.

Ultimately, if a customer has a problem or disagreement with a TrustMark listed builder, the TrustMark website provides advice and information about how customers can progress and resolve their complaint. One estimate is that 1.7 million jobs are carried out by TrustMark firms every year, yet the number of complaints is low. The consumer may complain directly to the tradesman or their scheme operator and the complaint is easily and quickly resolved, but TrustMark receives only a handful of unresolved complaints every week—three on average. Statistically, that means only one unresolved complaint for every 10,000 jobs completed by a TrustMark-registered

firm. That is a very strong statistic for the repair, maintenance and improvement sector, and one that TrustMark is proud of, as it reflects the high quality of firms that are members of the scheme.

Many national names endorse TrustMark; for example, Dulux, Homebase, B&Q and the Glass and Glazing Federation are just some of the 20-odd scheme operators that work under the TrustMark banner. Supporters include trading standards, Consumer Focus and Help the Aged, to name but a few. To date, a large number of firms, covering nearly 18,000 trades, have registered and I encourage any successful building company that has not yet done so to sign up to TrustMark. It is an easy to understand badge for good business practice, and in an increasingly competitive market, TrustMark offers an accessible channel to build a positive reputation and to source new and repeat business from clients.

It is not only TrustMark that provides consumers with protection. There are other non-profit initiatives, including competent person schemes, such as FENSA, for glazing. Supported by the Department for Communities and Local Government, such schemes enable individuals and enterprises to self-certify that their work complies with building regulations, as an alternative to submitting a building notice or using an approved inspector, although I take note of the comments made by my hon. Friend the Member for North-West Leicestershire (David Taylor) in his intervention.

David Taylor: Does my hon. Friend acknowledge the strength of the point that local authority building control is in a weaker position than 10 or 12 years ago? Local authorities need resources and powers to enforce against not only sloppy building but illegal building, with stop notices, fixed penalty notices and so on.

Kevin Brennan: I may need to defer to my colleagues in the Department for Communities and Local Government about resourcing in local authorities for building regulations.

However, self-certification is an important step forward in making sure that further protections are available to consumers. The scheme, which is compatible with TrustMark, aims to enhance compliance with the requirements of building regulations, to help tackle the problem of cowboy builders, reduce costs for law-abiding firms and promote training and competence in the industry. Certain other types of work, such as gas and electrical installation, also require that only certified builders do the job. In the case of gas, that is the Gas Safe scheme.

It is important that the public are aware of such schemes. The hon. Member for Twickenham has pointed out elsewhere that many of his constituents were unaware of the TrustMark scheme, so we need to make sure that we advertise it and make consumers aware of it. The more that consumers know about and use such schemes, the quicker we can drive out the rogue builders the hon. Gentleman is concerned about. We are working hard to get the word out to consumers and builders.

TrustMark is advertised on the Department for Business, Innovation and Skills website and by local authorities—for example, in Hertfordshire—that use it to provide a contact list of reliable builders for their local communities. I think that the hon. Gentleman would like to turn that the other way around, so that local authorities provided a rogue builders' list and information. At the moment, that is a matter for local authority trading standards officers to decide, based on appropriate advice, but I am willing to consider any further suggestion he might have and what he would like the Government to do in relation to his suggestion. In addition, a national advertising campaign called "The Mark that Britain Trusts" is also running, with further information being promoted through radio and newspaper articles, billboard advertisements and other initiatives targeted at consumers and the industry.

For those householders who have been affected by shoddy work but who have not used a non-profit-making scheme such as TrustMark, several means of redress are still available, although I accept the hon. Gentleman's account of the difficulties that consumers can face. All building work must be carried out in compliance with building regulations, and notwithstanding the remarks made by my hon. Friend the Member for North-West Leicestershire, local council building inspectors are there to check that work is up to requirements. If a cowboy builder sidesteps those protections or commits fraud, there is redress to the courts, as the hon. Gentleman mentioned, although I accept his concerns about the problems for people with modest means or small amounts of money that are important to them.

The hon. Gentleman raised a number of specific examples from his own casework. Obviously, it is difficult for me to comment on them; he knows far more about them than I could. However, I am concerned about the fact that he mentioned a case that involved a company that was part of the MasterBond scheme and was therefore associated by definition with the TrustMark scheme as well. So I should be grateful if he supplied me, if he can, with some of the detailed evidence of cowboy builders who have been part of the TrustMark scheme and who are continuing to masquerade as members of it, having been expelled from the Federation of Master Builders and therefore from MasterBond and the TrustMark scheme. I will be happy to pass on those details and to ensure that such cases are properly investigated.

We are committed to working with the industry and consumers to tackle cowboy builders—I am grateful to the hon. Gentleman for his acknowledgement of the effort that the Government have made in this regard—and to promote best practice across the industry and to ensure a fair deal for consumers. We believe that TrustMark and other associated Government-endorsed schemes are the simplest and most effective way to do that, although I am always interested to hear suggestions from hon. Members about how we can do better, and we will continue to do all we can to raise public awareness of those schemes and their take-up by reputable businesses across our building industry.

Question put and agreed to.

10.28 pm

House adjourned.

House of Commons

Tuesday 24 November 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

NHS Constitution

1. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): What recent assessment he has made of the effectiveness of the NHS constitution; and if he will make a statement. [300139]

The Secretary of State for Health (Andy Burnham): The NHS constitution was based on extensive consultation and has widespread support. It gives real power to patients by describing their rights. The Health Act 2009 gives the constitution its legal underpinning and requires a report on its effectiveness to be published every three years.

Mr. Lancaster: Last month Milton Keynes hospital acquiesced to the demands of a pregnant woman by providing an all-white staff for the delivery of her baby. Does the Secretary of State think that this was the correct decision by the hospital, or can we sometimes put patients' wishes too much to the fore in thinking of hospitals' actions?

Andy Burnham: I cannot be alone in finding uncomfortable the situation that the hon. Gentleman describes. I should have thought that it was so for the NHS staff who were on the receiving end of such a request. I know that the trust concerned is conducting an investigation into the request and its handling. I shall be happy to update him when further information is available.

Mr. Kevin Barron (Rother Valley) (Lab): Does my right hon. Friend expect that when the patient consultation on the new constitution has been completed, the wait of 18 weeks or less for a referral from a GP to a consultant or the two-week wait for GP referral for somebody suspected of having cancer will be one of the most popular things that has happened in the national health service in our lifetime? Will he make sure that that is reinforced so that people will expect it for many years to come?

Andy Burnham: My right hon. Friend the Chairman of the Select Committee is right to say that the outstanding progress the NHS has made on waiting times in the past decade should never be lost. We should lock in that progress and the NHS should not slip back below those standards. The patients charter published on 3 March 1995 gave an 18-month guaranteed waiting time for in-patient treatment. That is the measure of how far the national health service has come in recent times. I expect patients to endorse the proposal on that new right, but the NHS constitution will need to be updated in line with public expectations about the national health service.

Norman Lamb (North Norfolk) (LD): The draft NHS constitution includes a right to drugs approved by the National Institute for Health and Clinical Excellence, yet we are witnessing a growing crisis with patients unable to get hold of vital drugs for breast cancer, epilepsy and many other conditions. There is a long list of drugs that are currently unavailable because people are exporting them and profiting from the exchange rate. Is this not a despicable trade? What are the Government doing to stop it?

Andy Burnham: I understand the concerns that the hon. Gentleman expresses about parallel exports. The medicine supply chain is crucial and we are taking steps in the Department to guarantee the security of crucial medicines. He mentions the right in the constitution to

"treatments . . . recommended by NICE . . . if your doctor says they are clinically appropriate for you."

We believe that that is an important right for patients. Obviously NICE has a difficult job to do in judging the cost-effectiveness of treatments, but we think it is the right guarantee to make so that, just as we will not see waiting times slip back, there will never be a return, under this Government at least, to the postcode prescribing that we saw in the 1990s.

Norman Lamb: The right hon. Gentleman is right that there should be an entitlement, yet every day drug companies are reporting 300 to 500 calls from people who cannot get hold of vital medicines. I have a letter that has been circulating to community pharmacists; it includes a price list, with very attractive offers to pharmacists to buy their drugs for export, thereby denying patients in this country vital drugs. What are the Government doing to stop this unethical practice?

Andy Burnham: On Friday, the Minister of State, my right hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), published clear guidance to primary care trusts. The issues that the hon. Gentleman raises are crucial. It is vital that patients have access to the medicines that they need. We are taking a range of steps to secure the medicines supply chain, but I understand the points that he is raising. We have taken action and I will continue to work with him to ensure that there is no problem in the supply of medicines.

Keith Vaz (Leicester, East) (Lab): I declare an interest as someone who suffers from type-2 diabetes. Will my right hon. Friend assure the House that the NHS constitution will properly protect those who have diabetes by giving them an assessment to determine whether they have the illness? It is better to prevent than to treat once somebody has an illness.

Andy Burnham: I agree entirely that the challenge for the national health service is to become truly preventive—to become a national health service, with the word "health" underlined. My right hon. Friend will know that as well as consulting on the proposed maximum waiting times, we are asking the public whether people aged between 40 and 74 should have a right to an NHS health check every five years. That would take the NHS into new territory. It would take it squarely into preventive territory, and I look forward to hearing whether he and his constituents think that is the right step to take.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The NHS constitution says that patients should have access to NICE-approved drugs. What does it offer a patient with primary liver cancer, for example, who has only one drug as an option for treatment and is told that the NHS will not provide it?

Andy Burnham: I described the right very clearly in my answer to the hon. Member for North Norfolk (Norman Lamb): it is a right to drugs as approved by NICE. The hon. Member for South Cambridgeshire (Mr. Lansley) should accept—indeed, I think I have heard him say before—that NICE has a very difficult job to do in judging the cost-effectiveness of new treatments. I do not want to return to a situation in which people have different access to drugs and treatments according to where they live. NICE brought order to the system, and has an international reputation for rigour in the assessment of new medicines. I am proud of the difficult job that it does, and when it has made its deliberations, that right carries its recommendations to patients throughout the country.

Mr. Lansley: The Secretary of State did not answer my question, but the answer that he should have given, according to his view, is that the constitution offers patients in those circumstances nothing—they will not have access to that drug. Why will he not follow the policy, which we pressed on him and his predecessors, of a value-based pricing system for new medicines, so that patients are provided with treatments that are clinically best for them, so that the reimbursement price through the NHS then reflects the value of the drug, and so that the Government, the national health service and the drug companies get together to ensure that patients have access to treatments that are clinically effective and best for them? Why will the Government not accept that they should have a policy that puts patients first?

Andy Burnham: Let me answer the direct point about NICE's provisional decision on treatments for liver cancer and Nexavar. It is a provisional decision, so every patient in the country has the opportunity to comment on it and the breadth and range of views can be heard. That is everybody's right—to make their views known. I do not think that the hon. Gentleman could sit in my position and basically say that every new treatment that comes along can be afforded. We have to have some rigour in the system, and in the way that decisions are made. Experts—I stress that word—should advise Ministers on how best to take forward those decisions, and that is what we have in NICE. It does an extremely important job for the Government and, I might add, for the taxpayer, and I should expect the hon. Gentleman to show it a little more support.

Derek Twigg (Halton) (Lab): About 10 or 12 years ago, I regularly had complaints from constituents who were waiting 18 months, two years and, in some cases, three years for an operation. On the patient guarantee, it is absolutely right that we reaffirm our commitment to waiting list times, and we should laud what we have done to reduce them, but will my right hon. Friend similarly guarantee that we will continue to press as hard as we can to get waiting lists down?

Andy Burnham: I agree entirely with my hon. Friend, and the whole thrust of the constitution is to translate those targets into permanent rights so that there is no slipping back. My father has just had a heart bypass operation, and he was treated within a matter of weeks. I looked at the patients charter that the Conservative party introduced in 1995, and there was a 12-month standard for an artery bypass graft. How many unlucky people died on those waiting lists for heart bypass operations? That is a world away, and I assure my hon. Friend that under this Labour Government we will never go back to such a situation in the national health service, with people dying waiting for hospital treatment.

NHS Dentistry

2. **Michael Fabricant** (Lichfield) (Con): What recent assessment he has made of the adequacy of NHS dental provision; and if he will make a statement. [300140]

6. **Mr. Edward Vaizey** (Wantage) (Con): What recent assessment he has made of the adequacy of NHS dental provision. [300144]

The Parliamentary Under-Secretary of State for Health (Ann Keen): More than 27.6 million people saw an NHS dentist in the 24 months ending June 2009. That is almost 750,000 more than in the same period ending June 2008.

Michael Fabricant: I thank the Minister for her answer. Paul Bason, a constituent of mine and a dentist, came to see me and told me that he has a major problem, because when someone needs a root canal operation on their teeth the current dental contract incentivises him to remove the tooth rather than to perform an operation. Does the Minister think that the contract is conducive to good dental practice?

Ann Keen: No, I do not. We have discussed that issue and root canal work many times in the House, and I suggest that the primary care trust in the hon. Gentleman's constituency speaks to the dentist concerned. Some root canal work is extremely complicated, so if the dentist cannot carry out the required clinical procedure, he can refer the patient to an NHS hospital, where a consultant will see them.

Mr. Vaizey: May I wish the Secretary of State's father a speedy recovery?

In 1999, Tony Blair promised access for all to an NHS dentist by 2001. Since the contract was rejigged, more than 1 million people now do not have access to an NHS dentist—an increase of half a million. When will Tony Blair's promise be fulfilled?

Ann Keen: I believe that the hon. Gentleman will be aware of the increase in dentistry and dental practice over the past two to three years, particularly in his own area. Oxfordshire has a contract with an existing practice to provide short-term provision, initially for 500 additional patients. In Oxfordshire, the number of dentists increased from 262 in March 2007 to 309 in March 2009. I hope that I am known in the House for my caring attitude to staff and to Members. Later this afternoon, I am opening a dental practice in Horseferry road in Westminster, which I am sure that residents and people who work in this area will be able to use.

Natascha Engel (North-East Derbyshire) (Lab): Will my hon. Friend agree to meet me to discuss the plight of lab technicians who make crowns and dentures for dentists? With dentists using cheaper foreign options, our domestic industry is dying on its feet.

Ann Keen: My hon. Friend raises with me an issue that I am happy to discuss with her at a later date.

Mike Penning (Hemel Hempstead) (Con): I am sure that the whole House would agree that when our armed forces come home on leave they need the best possible treatment from the NHS. Does the Minister therefore agree that it is abhorrent that when a serviceman comes home on leave and needs dental treatment he is turned away by the PCT because there is no funding stream for that treatment and sent back to barracks for treatment? Is that not wrong in the NHS in the 21st century?

Ann Keen: If the hon. Gentleman would like to give me evidence of that, I would be very interested to look at it.

Human Trafficking

3. **Mr. Anthony Steen** (Totnes) (Con): If he will issue guidance to health care practitioners on the likely health care problems experienced by trafficked persons which might not present immediately. [300141]

The Minister of State, Department of Health (Gillian Merron): Multi-agency guidance for all front-line practitioners on meeting the needs of trafficked people was issued last month. It includes a specific section on how front-line health practitioners should respond to the needs of trafficking victims, including those who might not present themselves immediately.

Mr. Steen: As many trafficked people have suffered from the most appalling mental and physical abuse requiring ongoing medical support and counselling, could I mention to the Minister the in-depth counselling service of the Helen Bamber Foundation in London, which gives wonderful ongoing counselling support to trafficked victims as well as to those who are found to have suffered torture? Will she consider extending that kind of in-depth counselling service to other parts of the country where more and more trafficked people are coming forward?

Gillian Merron: May I pay tribute to the hon. Gentleman, who is a passionate advocate for people who rarely have a voice themselves? I, too, congratulate the Helen Bamber Foundation, whose work does indeed help to rebuild the lives of those who have suffered the worst of violations. Provision of services is of course a matter for local health services. However, I will draw the hon. Gentleman's comments to the attention of the taskforce that the Government have set up, whose work includes looking at the role and the response of health services in respect of trafficked people.

Fiona Mactaggart (Slough) (Lab): Talking therapies are very important for people who have been through the trauma and post-traumatic stress disorder that are too commonly the fate of those who have been trafficked. In our constituencies, many of us find that there is insufficient access to talking therapies for anyone. Will my hon. Friend talk to PCTs and mental health trusts around the country about ensuring that there is better access to counselling and talking therapies for people with such conditions?

Gillian Merron: I certainly share the views of my hon. Friend, who makes an absolutely valid point. That is exactly why we have set up the taskforce. It is chaired by Sir George Alberti, who will look specifically at where there are gaps and what role the NHS and health service workers can play in supporting those who have been traumatised in the way that has been described. I hope that will do a lot to plug any gaps such as those that my hon. Friend mentions.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Most of the people who are trafficked into this country are young men and women who are exposed to terrible abuses. Will my hon. Friend have discussions with her counterpart in the Home Office to ensure that any criminal money that is recovered from the people responsible for this trafficking is confiscated and, better still, redirected to the NHS to pay for the health care of these young people?

Gillian Merron: Again, my hon. Friend makes a very important point. Indeed, the taskforce that I referred to was set up by the Home Secretary and the Health Secretary, and we want particularly to consider how we can support victims of trafficking, work better together across Government and help to bring to justice those who perpetrate this crime. We want to make the advances that my hon. Friend refers to.

Parking Charges (Offsetting)

4. **Mr. Simon Burns** (West Chelmsford) (Con): What guidance he has given to NHS trusts on the offsetting of receipts from parking charges against their deficits; and if he will make a statement. [300142]

The Minister of State, Department of Health (Mr. Mike O'Brien): NHS trusts manage finances locally, including how they eliminate deficits. Parking subsidies need to be approached with care, especially where the trust has a deficit.

Mr. Burns: The Minister will remember that at the last Health questions, he told me that he did not expect trusts to make a profit out of car parking to pay off deficits. What is he going to do with the letter from the chief executive of Mid Essex Hospital Services NHS Trust that I sent him a month ago, which states that the

trust increased car park charges from 1 February 2007 for staff at Broomfield hospital from £40 a year to £200 a year as part of the turnaround scheme to reduce the deficit? That seems directly contrary to what the Minister said last month that trusts should do.

Mr. O'Brien: The hon. Gentleman did raise that with me, so I have looked into it. The increase in 2007 for staff was from 77p a week to £3.85 a week. At the moment, the trust apparently charges staff half the annual cost of operating the space. In other words, I am told that the trust subsidises those car parking spaces.

Today the shadow Chancellor has said how tough he wants to be on climate change and how he wants to discourage people from unnecessarily using vehicles and so on. Now, the hon. Member for West Chelmsford (Mr. Burns) wants to ensure that instead of money being put into patient care, it is put into greater subsidies for car parking—

Mr. Speaker: Order. I think we have got the gist of it. I am grateful.

Mr. Tom Watson (West Bromwich, East) (Lab): I believe my right hon. and learned Friend's guidelines suggest to acute trusts that they should provide some free parking to disabled badge holders. In cases where they do not do that, such as at my hospital at Sandwell, what recourse do we have to press them to change?

Mr. O'Brien: We have said that we want people with disabilities who are regular visitors to hospital to have access to permits that will enable them to have car parking spaces at a reduced charge. On what can be done, my hon. Friend must of course first approach the hospital, and if that is unsuccessful he should approach the primary care trust.

Smoking Cessation

5. **Mr. Christopher Chope** (Christchurch) (Con): If his Department will take steps to promote the health benefits of low-toxicant smokeless tobacco products as aids for smoking cessation. [300143]

The Minister of State, Department of Health (Gillian Merron): There is no evidence that smokeless tobacco can help people to quit smoking. Such products are tobacco, and they release harmful toxins when used. The Department therefore has no plans to promote that form of tobacco, but we will continue to support smokers in quitting using safer means, including licensed nicotine replacement medicines.

Mr. Chope: What an arrogant and irresponsible reply that is. Does the Minister not realise that based on the Swedish experience, if snus were legalised in the United Kingdom it would save up to 30,000 lives a year? Does she not realise that even the World Health Organisation recognises snus as a useful harm reduction product?

Gillian Merron: I am sorry to disappoint the hon. Gentleman, but there are very good reasons for my comments. The Scientific Committee on Emerging and Newly Identified Health Risks, which is both official and independent and provides the European Commission with scientific advice, considered in detail the health effects of smokeless tobacco products and concluded that such products were addictive. I have myself looked at the packaging of such items and seen that even the tobacco industry acknowledges that they are not a safe alternative to cigarettes.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): May I associate myself with my hon. Friend the Minister's remarks? Does she agree that the most effective way to reduce the incidence of smoking is to reduce peer group pressure on young people to take up smoking? What assessment has she made of the role of the ban on smoking in public bars and restaurants in achieving that?

Gillian Merron: My hon. Friend will know that just this year we celebrated the 10th anniversary of the NHS stop smoking services, which have saved more than 70,000 lives. We know that people are four times as likely to quit with support than without it. The important point that he makes is that two thirds of smokers start before they are 18, and that is why smoke-free legislation and other measures in recent health legislation will contribute to reducing the numbers of new recruits to the tobacco industry.

Social Care Reform

7. **Mr. Mark Harper** (Forest of Dean) (Con): When he plans to publish the Government's response to their consultation on the reform of social care. [300145]

The Secretary of State for Health (Andy Burnham): The consultation closed on 13 November. More than 28,000 responses have been received and 37 events held in all parts of the country. The Government's response to the consultation will be published in the new year.

Mr. Harper: I am grateful for that reply. The Secretary of State will know that all the options being consulted on, except for the one whereby everyone would pay for themselves, assume that the Government would take attendance allowance and disability living allowance from the over-65s and put them into a social care system, which would take away individual control. That move is opposed by every single organisation representing disabled people. When he publishes those consultation responses, will he listen to them and cancel that aspect of his social care plan?

Andy Burnham: The hon. Gentleman either has not read the Green Paper or has misunderstood it. The Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope), who has responsibility for care services, has said that the principle of individual budgets, introduced by this Government, would be the cornerstone of any national care service. That control over purchasing care would be replicated in and be at the heart of any new system.

This is an important debate which is at the forefront of many older and disabled people's minds. The unpleasant campaign that the Conservative party launched last week will frighten vulnerable people about their benefits with misleading claims about what will happen to them. I find it despicable.

Tony Lloyd (Manchester, Central) (Lab): Does my right hon. Friend agree that when we are talking about people who are disadvantaged and vulnerable, and who have great fears about their future, playing party politics is disgraceful?

Andy Burnham: I entirely agree with my hon. Friend. It is utterly disgraceful. There were claims made last week that benefits would be taken away from elderly and disabled people and that some could lose "up to £60" a week. I do not know how the shadow Health Secretary can justify those claims when he knows them to be untrue. We have said clearly that in any new system people would be offered an equivalent level of support. The whole aim of this reform is to provide more support to vulnerable people, not less. It is because the Conservatives have such a threadbare response to these serious issues that they resort to scaremongering and frankly despicable tactics.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Responding to the Green Paper, Age Concern said:

"We oppose funding the National Care Service from Attendance Allowance".

I agree with Age Concern. The Secretary of State seems to have been thrown into a panic by this subject. Why does he not simply get up now and say that the Government will reject any of the options in the Green Paper that depend on scrapping attendance allowance or disability living allowance for the over-65s?

Andy Burnham: I will get up and say what I have just said—that every person will get an equivalent level of support, and I have made that clear. The hon. Gentleman went to a press conference last week at which he suggested that money would be taken from those people. That destabilises, upsets and causes anxiety in some of the most vulnerable people in society, and for whose purposes? It is for the purposes of the Conservative party's election campaign. I find it beneath contempt, and we would do those people a greater service by having a proper debate on the issues.

NHS Governance

8. **Mr. Graham Allen** (Nottingham, North) (Lab): If he will bring forward proposals to involve more elected representatives in NHS governance structures at local and regional level. [300146]

The Minister of State, Department of Health (Phil Hope): There are many ways in which elected representatives can be involved in the NHS locally. These include opportunities for elected representatives to seek membership of primary care trusts and strategic health authority boards as non-voting members or non-executive directors. There is joint working by elected representatives, local authorities and primary care trusts in local strategic partnerships and, of course, there is the use of overview and scrutiny powers by local government.

Mr. Allen: When I want to discuss health matters with a directly elected person in this country, I cannot do it at either the local or regional level. The first person I come across who is directly elected is my hon. Friend, along with his capable colleagues on the Front Bench. Does he not think that that is going a bit too high up the pay grade? Can we not have people who are directly elected and capable at the local council and regional levels?

Phil Hope: I know that my hon. Friend plays a huge role in chairing his local strategic partnership, where he has locally elected representatives and members of the primary care trust sitting round the table talking about local needs and issues. However, I might also draw his attention to the new Regional Select Committees, which can hold regional health authorities to account for specific aspects of their performance. *[Interruption.]* And as you can hear from the noise, Mr. Speaker, the Opposition voted against those regional forms of accountability.

Lembit Öpik (Montgomeryshire) (LD): The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) and I have worked as locally elected representatives on his energetic campaign to prevent the movement of the accident and emergency unit from Shrewsbury hospital. We have now received assurances from the authorities at the hospital that the service will not be moved, but I do not understand what formal mechanism we would have under the current arrangements to object, especially bearing in mind that this is a cross-party issue. How would the Minister advise us to ensure that our constituents' concerns about any such move are formally registered, given the system that he has been outlining?

Phil Hope: I am not familiar with the hon. Gentleman's specific concern, but in general terms, decisions about reconfiguration, which is what I suspect he is talking about, are clinically led decisions, made by leading local clinicians determining what is in the best interests of patients and services in his constituency and those of his neighbours. I would hope that he, his constituents and other local bodies would make their representations in the normal way, but be guided by the clinicians, who I think probably know what is best for patients in their area.

Mr. Gordon Prentice (Pendle) (Lab): But are patients' voices being heard in the NHS, and what about these local involvement networks? What assessment has the Minister made of their effectiveness?

Phil Hope: The creation of LINks is an important additional form of accountability in the NHS locally, not only to local Members of Parliament and locally elected councillors but directly to service users and patients, who will have an opportunity through LINks to influence the pattern of service, including procurement, provision and quality.

Capital Funding (Hospital Trusts)

9. **Mr. Peter Bone** (Wellingborough) (Con): What mechanism is used to determine the allocation of capital funding to hospital trusts. [300147]

The Minister of State, Department of Health (Mr. Mike O'Brien): Capital allocations to hospital trusts are determined by local need and subject to local and national affordability.

Mr. Bone: Wellingborough is a fast-expanding constituency, with thousands of new homes being built. It has no hospital, and now this discredited Government are closing the hospital out-patient facility. In the neighbouring, highly marginal Labour constituency of Corby, a new hospital and a new out-patient facility are being built. Are this Labour Government buying votes?

Mr. O'Brien: I thought the hon. Gentleman's party was fully in favour of foundation trusts. Kettering general hospital foundation trust wants to build a new unit at Irthlingborough, which is 2.7 miles from the current Rushden clinic that he is talking about. Through its overview and scrutiny committee, Conservative-controlled Northamptonshire county council decided that the move did not need consultation, because it was not a substantial change.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Given the terrific importance of abolishing car parking charges, about which the Secretary of State made such important announcements a couple of years ago, will my right hon. and learned Friend look into the possibility of appropriating those car parks into the capital structure and capital allowances of hospitals, thereby not imposing that revenue drain on them?

Mr. O'Brien: I shall of course look into the point that my hon. Friend makes, but I have to say this. We want to ensure, as far as finances allow, that patients and those who visit them can get a permit for free car parking in due course. I will look into the point he makes, but our policy is to move towards patients getting that free car parking in due course.

Alternative Medicine (Regulation)

10. **David Tredinnick** (Bosworth) (Con): What progress has been made on the regulation of herbal medicine, acupuncture and traditional Chinese medicine; and if he will make a statement. [300148]

The Minister of State, Department of Health (Gillian Merron): The consultation on whether—and if so, how—to regulate practitioners of acupuncture, herbal medicine and traditional Chinese medicine closed on 16 November 2009. We are considering our response to the consultation, and it will be published next year.

David Tredinnick: Is the Minister aware that the qualified practitioners at the Hydes Herbal Clinic on London road in Leicester—the oldest and largest such clinic operating in this country—want statutory regulation to interface with European legislation as quickly as possible? Will she guarantee that the clinic will still be able to treat, and to prescribe and prepare its own herbs?

Gillian Merron: I thank the hon. Gentleman for making that point. We have had some 5,000 responses to the consultation, which I welcome. We will move as quickly as possible, and, when taking our decision, we will balance public safety with the risks involved, and look at the principles of better regulation in deciding whether any action would be transparent, accountable, proportionate, consistent and targeted only where action was needed.

Mental Health Services

11. **Paul Holmes** (Chesterfield) (LD): What steps his Department is taking to improve the level of access to mental health services. [300149]

The Minister of State, Department of Health (Phil Hope): As a result of nine consecutive years of increased spending, access to mental health services has never been higher. Many more staff, more community mental health services and increased access to psychological therapies have transformed services since 1997. Our vision for the future of mental health services and wider public mental well-being, which we are calling New Horizons, will be published shortly and will build on these remarkable achievements.

Paul Holmes: Lord Layard's report recently revealed that there are more mentally ill people on incapacity benefit than there are unemployed people on all benefits put together. One in four people will have a mental illness at some stage during their life. However, the 18-week waiting time target applies only to physical ailments, not to mental illness. Why do the Government treat mental health problems as a Cinderella subject, especially when the new NHS constitution states:

"You have the right not to be unlawfully discriminated against in the provision of NHS services including on grounds of...mental health"?

Phil Hope: I am pleased to be able to tell the hon. Gentleman that Cinderella has come to the ball. We have increased investment in mental health services by 50 per cent.—£2 billion—since 2001. We have more consultant psychiatrists, more clinical psychologists and more mental health nurses. That investment in the extra services means that individuals will be able to access the mental health services that they need, not least the psychological therapies that we are rolling out across the country, investment in which will rise to a total of £173 million by 2010-11.

Dr. Brian Iddon (Bolton, South-East) (Lab): During the passage of the Mental Health Act 2007, there were many discussions about providing places of safety, other than police stations, to which seriously mentally ill people could be taken. Has any progress been made on that, please?

Phil Hope: Providing such places of safety for people outside police custody has been an important part of developing mental health services for the future, and we continue to drive forward progress in that area. If my hon. Friend has a particular issue in his constituency, I ask him please to write to me and I will be happy to take the matter forward with him.

Anne Milton (Guildford) (Con): The Government predicted that the number of community treatment orders needed in the first year of the Mental Health Act 2007 would be 600 to 800, yet in the past year there have been 4,000. That was therefore a gross under-prediction. Will the Minister investigate the impact of this massive under-prediction on the thousands of vulnerable people without sufficient safeguards in place and without sufficient support in the community?

Phil Hope: I do not recognise the hon. Lady's description of those services. It is true to say that there has been use of community treatment orders, but those orders can be made only when a clinician has made a decision that that is the safe and right thing to do, that there is support in the community, and that the individual can be recalled if necessary. That has happened on a number of occasions. I believe that the Mental Health Act has been a success, and that these new orders have provided new opportunities to treat people safely in the community and to keep the community safe.

Independent Sector Treatment Centres

12. **Greg Mulholland** (Leeds, North-West) (LD): What assessment he has made of the use made by the NHS of services commissioned from independent sector treatment centres. [300150]

The Minister of State, Department of Health (Mr. Mike O'Brien): Independent sector treatment centres have treated more than 2 million NHS patients and helped to reduce waiting times and improve patient choice.

Greg Mulholland: The Care Quality Commission carried out a report on the Eccleshill treatment centre in Bradford at the request of the coroner after the death of my constituent, John Hubley, in 2007. A freedom of information request has shown that in January this year, the centre still did not have adequate risk-management procedures or responses to emergency surgical situations. When can we finally have a debate about NHS use of such facilities? Is it right to send patients there when safety procedures are not adequate?

Mr. O'Brien: Debates are a matter for the usual channels. We of course extend our condolences to the family of Dr. John Hubley. The coroner stated that he was satisfied that there was no ongoing system failure at the Eccleshill treatment centre. The Care Quality Commission has looked into this and will continue to monitor it to ensure that quality standards are met, but 96 per cent. of patients who use ISTCs have recorded either excellent or very good quality services.

Working Time Directive

13. **Chloe Smith** (Norwich, North) (Con): What recent assessment he has made of the effect of the European working time directive on NHS staff. [300151]

The Parliamentary Under-Secretary of State for Health (Ann Keen): All NHS staff, with the exception of doctors in training, have been compliant since 1998. In 2004, working time provisions were extended to doctors in training whose maximum hours were reduced to 56 hours by August 2007 and 48 hours by August 2009.

Chloe Smith: The Royal College of Surgeons said in January this year that we simply do not have the surgeons in the UK to fill the gaps created by the working time directive. Does the Minister agree that it is wrong to put at risk the work of local trusts, including the Norfolk and Norwich University Hospitals NHS Foundation Trust, the safety of patients and the career aspirations of those who wish to become surgeons by her Department's lack of proper planning for the implementation of the working time directive?

Ann Keen: I am sorry to disagree with the hon. Lady. The working time directive is health and safety legislation, and there is strong evidence that tired doctors make mistakes, so reducing working hours to 48 will of course improve patient safety. I know that the Norfolk and Norwich university hospital is looking at its anaesthetic rota and coming to an agreement on it. There has always been a tradition in surgical training that needed to be addressed. The most recent survey of medical education for those in training has shown that this training is now better and safer.

Mr. Stephen O'Brien (Eddisbury) (Con): Given that at the last count, only two thirds of junior doctors were compliant with the European working time directive and 77 trusts have had to request a derogation from the directive, and in the light of the fact that the Secretary of State himself does not have to comply with the directive that his own party has forced on our doctors, what action are the Minister and the Secretary of State taking to bring forward the long-delayed review of junior doctors' training to ensure that doctors' skills and training—and, ultimately, patient care—do not suffer as a result of the Government's failure to negotiate an opt-out?

Ann Keen: I can certainly tell the hon. Gentleman one thing—this Labour Government and this Minister have no intention ever of returning to the long and dangerous hours that all our doctors and surgeons used to have to work, because I actually worked with those doctors at the time. Any one of them would tell the hon. Gentleman how serious that practice was, as mistakes were made. Along with the medical education authorities, the British Medical Association and all the Royal Colleges, we take patient safety very seriously. The report that the hon. Gentleman mentioned will be looked at and we will report back on it, I believe, early next year.

Health Visitors (Greater London)

14. **Simon Hughes** (North Southwark and Bermondsey) (LD): How many health visitors were employed in Greater London in (a) 1997 and (b) 2009; and if he will make a statement. [300152]

The Parliamentary Under-Secretary of State for Health (Ann Keen): In the last decade, child health services have developed based on research and the healthy child programme. In the London strategic health authority region, 1,876 health visitors were employed in 1997. Following the change and the extensive child health programmes, we now deliver child health by a range of practitioners. The latest figures show that at 30 September 2008 there were 1,577 health visitors.

Simon Hughes: Does the Minister accept that after 12 and a half years in office, we are losing nationally one health visitor on average every 30 hours, that the professions reckon that we need another 8,000 to plug the gaps and that there are some places where there are

two and a half as many people on a health visitor's case load as was recommended as safe by the inquiry into baby Peter's death?

Ann Keen: We recognise that there is a shortage of health visitors, but, as I said in my earlier answer, we are delivering the child health strategy in a different way. Health visitors now lead teams. The 21 Sure Start centres in Southwark, part of the hon. Gentleman's constituency, serve as a focal point for local families, and have excellent links with health visitors, nurseries and infant schools.

Unite/CPHVA and the national health service have launched an action on health visiting programme. They are working closely together, especially in London, evaluating return to practice schemes. We value our health visitors greatly. As for their case load, the Secretary of State recently announced that such issues were to be reviewed.

Working Time Directive

15. **Tony Baldry** (Banbury) (Con): What recent assessment he has made of the effect on hospital trust budgets of the implementation of the European working time directive. [300153]

The Parliamentary Under-Secretary of State for Health (Ann Keen): This is a matter for local organisations. They make budgetary decisions based on the needs and priorities of the local populations to deliver effective local services.

Tony Baldry: Three consultants used to provide 24/7 consultant-led paediatrics at Horton general hospital, but it is estimated that it will take between nine and 13 to deliver the service in future. That has implications not only for the trust's budget, but for the future recruitment of consultants. What plans are the Government making in relation to recruitment as a consequence of the working time directive?

Ann Keen: We are in constant discussion with Medical Education England, along with the strategic health authorities, which have strategic responsibility for the planning of their consultants. Money has been made available to assist them in that process.

Topical Questions

T1. [300164] **James Duddridge** (Rochford and Southend, East) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Andy Burnham): Tomorrow the Government will publish the personal care at home Bill, which will benefit about 400,000 of the most vulnerable people in our society. On the same day, I will address a conference at the London School of Hygiene and Tropical Medicine to raise awareness of the human health costs of inaction on climate change in the lead-up to the Copenhagen summit.

The people of Cumbria have been in all our thoughts over recent days. Today my hon. Friend the Under-Secretary of State for Health spoke to Sue Page, chief executive of NHS Cumbria, and passed our thanks—the thanks of the whole House, I am sure—to the NHS staff and health professionals who have done so much to help local people to pull through during some very dark hours.

I am assured that emergency measures are in operation, including the use of Cockermouth community hospital as a general practice. In Workington, emergency measures are providing the full range of primary care services for people in the north of the town. My hon. Friend the Under-Secretary will visit the affected areas on Friday, and any further steps that are necessary will be taken.

James Duddridge: Following concerns raised about the generic substitution of epilepsy medicine, what decisions has the Secretary of State made on whether such medicines should be excluded from the pharmaceutical price regulation scheme?

The Minister of State, Department of Health (Mr. Mike O'Brien): We intend to launch a 12-week consultation, which I hope will begin before Christmas. We therefore do not expect to be in a position to implement generic substitution until next year. However, we will wish to examine those issues as part of our wider consultation.

T5. [300168] **Martin Linton** (Battersea) (Lab): Cans of super-strength lager carry the message "Enjoy responsibly" or "Please drink responsibly", yet they contain four and a half units, which is more than the maximum recommended daily intake. Given that super-strength drinks are a major killer of vulnerable homeless people, would it not be more responsible for the Department to ban half-litre cans and to introduce a super-strength tax on beers and ciders containing more than, say, 6 per cent. of alcohol per volume, as recommended by the Thames Reach charity in my constituency?

The Minister of State, Department of Health (Gillian Merron): I note the clear recommendation from that organisation in my hon. Friend's constituency. Whatever the strength of the lager or other alcohol that people drink, they should understand how strong the drink is, how much they are drinking and the health risks involved. As my hon. Friend knows, tax is a matter for the Chancellor, but I will ensure that his comments are drawn to the Chancellor's attention.

T2. [300165] **Mr. Philip Hollobone** (Kettering) (Con): According to the Jeanette Crizzle trust, of which I have the honour to be a trustee, fewer than 7 per cent. of secondary schools have taken part in the Department's Give and Let Live organ donor education programme. What is the Secretary of State going to do to improve participation rates?

Andy Burnham: This is obviously a very important issue. There were reports in the news again today that not enough good organs were available for donation. I think that we can reach across the House and agree that the matter is crucially important. There is more that we can do to encourage people voluntarily to join the organ donation register. Progress has been made recently, but there can be no let-up. I hope that the hon. Gentleman will work with us, and will support all our efforts to boost awareness and the number of people joining the register.

Jane Kennedy (Liverpool, Wavertree) (Lab): Will my right hon. Friend take a personal interest in the two capital building projects, part of the £1.2 billion committed to Liverpool hospitals by the Government, the Liverpool university hospital and the Royal Liverpool children's hospital, both of which are critical to the future delivery of hospital services to Liverpool?

Andy Burnham: I visited Liverpool yesterday and spoke to the chief executive and chair of the Royal Liverpool and Broadgreen University Hospitals NHS Trust. The scheme has important health benefits for the city and region, but also has wider economic benefits. I can assure my right hon. Friend that I am paying close attention to both of the schemes that she mentions. Obviously there is pressure on capital budgets in the current climate but I recognise that these are important schemes.

T3. [300166] **Bob Russell** (Colchester) (LD): Is the Secretary of State aware that the future of the nation's community dental practices has been put at serious risk because of guidance HTM 01-05? Will he agree to meet me and some dentists from my constituency so that they can explain what are clearly the unintended consequences of this guidance note?

The Parliamentary Under-Secretary of State for Health (Ann Keen): I would be happy to meet the hon. Gentleman on that detailed guidance, but I cannot answer at present.

Mr. Lindsay Hoyle (Chorley) (Lab): There is a new village near Chorley called Buckshaw, and thousands of new homes are being developed in Chorley. My concern is that there is a drag factor between the population and the funding given to primary care trusts. What can we do to ensure that Chorley gets the right amount of funding for its primary care trust?

Mr. Mike O'Brien: The NHS is constantly looking to ensure that we keep up to date with the way in which populations change in particular areas. PCTs must ensure that those data go to the Department so that the appropriate decisions on finances can be made.

T4. [300167] **Greg Mulholland** (Leeds, North-West) (LD): At a recent surgery, a constituent raised the problem of having an above-inflation increase at a private care home for his mother. It can be difficult to move people from those homes, so there is no competition with other businesses. What tools are at the Government's disposal to deal with this and to regulate private care homes so that they cannot simply charge anything willy-nilly, knowing that people cannot access another care home?

The Minister of State, Department of Health (Phil Hope): The quality of care provided by private care homes is subject to regulatory control by the Care Quality Commission. They are independent and fee levels negotiated with local authorities are a matter for local authorities. If the hon. Gentleman has a particular issue on that, he should first discuss it with the local authority, but recent legislation means that an individual may be able to complain to the local authority ombudsman.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Further to the incident at Milton Keynes general hospital when a maternity patient demanded all-white staff, may I clarify to the Minister that I spoke directly to the chair of the hospital trust, who assured me that the patient's request had not been acceded to and that she was treated by the duty team—a mixed team—for her caesarean? It would appear that the hospital did follow the NHS code in dealing with what was clearly a difficult and sensitive incident. I would be grateful if the Minister made sure that the accurate account of what happened is accentuated and that the hospital is congratulated.

Andy Burnham: I am grateful to my hon. Friend for that important clarification. We would want to ensure that no unfair suggestion is made about NHS staff who do their best for all of her constituents at all times. There is of course no place for racism in the NHS, nor for any discriminatory behaviour towards NHS staff. On that there can never be a compromise, but we have heard the clarification given by my hon. Friend today.

T6. [300169] **Mr. Andrew Pelling** (Croydon, Central) (Ind): A Bethlem Royal hospital in-patient who had previously been convicted of murder absconded while on a shopping trip to West Wickham. As we would expect of one of the best trusts in the country, Bethlem reacted very professionally in giving reassurance to the public about its procedures for such circumstances, but would it be worth checking whether there are sufficient resources to support such activities for in-patients outside hospital?

Phil Hope: I am grateful to the hon. Gentleman for bringing this case to my attention. Whether a patient who has been detained under the Mental Health Acts can leave a hospital or unit under escort on a visit is always a clinical decision. The hon. Gentleman described the mental health trust involved in this case as one of the best in the country, and it is the responsibility of individual trusts to ensure that patients in their care do not abscond from secure services.

The hon. Gentleman referred to resources. As I said earlier, investment in mental health services has increased for nine consecutive years, and by some 50 per cent. or £2 billion in real terms. I understand that the South London and Maudsley NHS Foundation Trust will be carefully reviewing the incident the hon. Gentleman raised and that it will change policies and procedures for escorting patients if that is found to be necessary.

Joan Walley (Stoke-on-Trent, North) (Lab): May I mention how proud my constituents are of the new Haywood hospital alongside the University Hospital of North Staffordshire NHS Trust's new hospital? Will my hon. Friend the Minister take a very close look at investment and capital funding, however, and will he in particular look at the pace of change, as our area is still distant from the target, and at the importance of the market forces factor, so that we can make sure we get our full allocation of capital funding across north Staffordshire?

Mr. Mike O'Brien: My hon. Friend is a doughty fighter for Staffordshire and for ensuring that funding goes in the direction of her constituents. I will, of course, look at the issues she raises and see if I can be helpful.

T7. [300170] **Michael Fabricant** (Lichfield) (Con): Paul Bason, a Lichfield-Staffordshire dentist who came to see me, raised, among other issues, the question of training. He says that after graduating in dentistry people have to have a year in vocational training, which is a good thing, but he asks whether there will be enough vocational trainers for the next batch of graduate dentists, and he thinks that perhaps there will not be.

Ann Keen: We have to accept that there is competition for training places in some areas and that it is necessary for some new graduates to move out of their home area. Over the country as a whole, however, we make sufficient training places available for training new graduates.

Andrew Mackinlay (Thurrock) (Lab): The roll-out programme for ultrasound screening against aneurysms of the aortic artery is inadequate. How and when will this treatment, which will save up to 6,000 lives a year among men aged over 60, be available? It is desperately needed, especially in working-class areas where the greatest indices of health poverty exist, such as my area.

Ann Keen: When rolling out any new technique within the national health service, we have to prepare the work force. This screening has been in progress. It has taken off better in some areas than in others, but we are looking at this and we are particularly concerned that we get it right because of the number of lives that will be saved.

T8. [300171] **Sandra Gidley** (Romsey) (LD): Constituents are being told that GP surgeries have to use up their initial allocation of 500 flu vaccines before they can order further supplies, even if the surgery knows there are a further 1,500 or so patients still to be vaccinated. What is the Secretary of State doing to ensure that surgeries have adequate and timely supplies of vaccines so that all vulnerable people can be vaccinated as soon as possible?

Andy Burnham: It is very important that surgeries have a ready supply of vaccines so they continue with the programme of vaccinating priority groups. We were aware that some surgeries may be coming to the end of the vaccination of priority groups at around this time, which is why we took the decision to extend the vaccination campaign to children aged between six months and five years. I take the point the hon. Lady raises very seriously. We want to ensure continuity of supply of vaccines to all surgeries around the country. We are confident that all GP surgeries have had a supply of vaccine, but we will continue to take a close look around the country to ensure that all surgeries have enough vaccine to be able to continue vaccinating in the priority groups.

David Taylor (North-West Leicestershire) (Lab/Co-op): Having five years ago been given exclusive rights to dip its corporate snout into the private finance initiative hospital trough, Laing O'Rourke must have industrial-strength chutzpah now to sue the Secretary of State for Health for abortive costs on that collapsed project. Does that not lay to rest, once and for all, the illusion that PFI transfers risk to the private sector?

Mr. Mike O'Brien: PFI has produced a large number of hospitals and clinical facilities for the NHS; it has, in many areas, been an enormous success. What I would say is that sometimes difficulties arise and we must deal with them.

T9. [300172] **Simon Hughes** (North Southwark and Bermondsey) (LD): Who takes responsibility in government for the fact that figures released today show that there were nearly 40,000 extra deaths last winter in this country because of cold? That is the highest figure for nearly 10 years. What will the Department of Health and other Departments do to have a proper insulation strategy for homes in Britain, rather than a piecemeal system that leaves many people dying when they would survive in other countries?

Gillian Merron: Obviously, the causes of winter deaths in excess are complex. The fact that last year's winter was colder than average will explain some of the extra deaths, but I assure the House that the Government are working hard, and will continue to do so, to improve the uptake of grants, benefits and sources of advice, so that homes are more energy efficient and people have the help they need with heating and bills.

Dr. Brian Iddon (Bolton, South-East) (Lab): A few days ago, work began on Bolton One, which is a £30 million project delivering a new swimming pool, a walk-in health centre and teaching facilities for the university of Bolton. Will the Minister congratulate that university, the council and Bolton primary care trust on this innovate new partnership?

Mr. Mike O'Brien: Yes, and I also congratulate my hon. Friend on fighting for it.

T10. [300173] **Mr. Andrew Robathan** (Blaby) (Con): There are concerns about the future of the Feilding Palmer cottage hospital in Lutterworth, in my constituency. It is much valued by local people and there has been talk of it closing. People like to be treated close to their home, and I believe that such an approach is public policy for all parties. Therefore, will the Minister inform PCTs that they should make every effort to allow local people to decide where they are treated and that where people have a facility such as the Feilding Palmer cottage hospital they may be treated close to home, rather than 20 miles away in the city of Leicester?

Mr. O'Brien: What is also shared by the Front-Bench team of the hon. Gentleman's party and our Front-Bench team is the view that reconfigurations—changes that are being made—should be clinically led and locally decided.

Julia Goldsworthy (Falmouth and Camborne) (LD): Today's *Western Morning News* reported that Cornwall council is holding an urgent meeting to discuss the relocation of upper gastro-intestinal cancer services to Derriford. Devon county council has also requested that the Secretary of State re-examine the issue. Will he agree to a meeting to discuss the impact of this central policy on local access to services?

Mr. O'Brien: I am happy to agree to meet the hon. Lady and some of her parliamentary colleagues, but may I just say that we also need to accept that decisions have to be made in the health service about where facilities are placed? Such decisions are difficult and they are best arrived at locally.

Ann Winterton (Congleton) (Con): What advice can the Minister give to a constituent whose eight-year-old son is suspected of having Asperger's syndrome and who is having to wait three years before a test might confirm that? He could pay £1,000 for a test to be carried out privately, but that would not necessarily be accepted by the local education authority. Is this not a disgrace?

Phil Hope: Decisions on the care of children with autism will come under the remit of the children and young people's plan, the legislation for which was recently passed. It will make sure that disabled children and children with autism in an area are covered by a plan that will determine the level of need locally and the services to meet that need.

Points of Order

3.34 pm

Mr. Bernard Jenkin (North Essex) (Con): On a point of order, Mr. Speaker. This morning, the Select Committee on Reform of the House of Commons produced an extremely important report. Unfortunately, at last Thursday's business questions the Leader of the House declined to say when the report might be debated and declined to come to give a statement to the House today on how the Government might respond to it. Could you use your good offices to advance the case made by this excellent report and, indeed, to give the House an opportunity to debate it, so that we may add to or subtract from it as we see fit?

Mr. Speaker: The hon. Gentleman is anticipating business questions and asking a business question on Tuesday that would be suitable subject matter for a question on Thursday. I am, very properly, conscious of and focused on this subject. I am watching events with close interest, as he would expect. He might want to raise the matter on Thursday. There will be opportunities—and soon, I am sure—for these matters further to be considered and it is right that they should be, with a clear indication of how events should proceed.

Ann Clwyd (Cynon Valley) (Lab): On a point of order, Mr. Speaker. Can you use your good offices to see whether we can have a feed of the Chilcot inquiry into Iraq on our parliamentary channels? There is considerable interest in the inquiry. I am aware that if one has a BBC red button, one can push that, but we have no such buttons on our sets.

Mr. Speaker: I understand that in technical terms the matter is relatively straightforward. I have noted what the right hon. Lady says, although I am not quite sure that it constitutes a point of order. As always, I want to be helpful and I know that she has the interests of the House at heart. I will ask officials to be in contact with her with a view to seeing whether her request, which I suspect will be reflected elsewhere in the House, can be accommodated.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): In business questions last week, I raised with the Leader of the House the question of the House's ability to scrutinise Government Bills, particularly on Report and particularly in relation to the Equality Bill, which is her Bill. She accepted that she had given undertakings to consult Opposition parties about how that would be dealt with, given that it is a huge Bill with many amendments and that there will be multiple groups of amendments. However, without any consultation, only one day has been allocated and that will not be sufficient to even touch proper scrutiny. Have you heard from the Leader of the House whether there will be reconsideration of that provisional business? An announcement on Thursday might be very late for business scheduled for next Wednesday and it is very difficult for the House to provide scrutiny if we do not get good notice as well as sufficient time.

Mr. Speaker: I think that the hon. Gentleman has a lot in common today with the hon. Member for North Essex (Mr. Jenkin), at least in the sense that he is asking a business question on Tuesday that could reasonably be asked on Thursday. I also remember very distinctly the list of dates recited by the hon. Member for Oxford, West and Abingdon (Dr. Harris) in the House last week on which he had previously made the request for due consideration on Report over two days of the matters in question. I feel sure that the concerns that he has again articulated will have been heard by those on the Front Bench and by the Leader of the House. I have no power to influence the matter further, but he has raised an extremely important concern. He might be tempted to raise it again, and I feel sure that if it is raised again it will be heard.

Debate on the Address

[4TH DAY]

Debate resumed (Order, 18 November).

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Energy and Climate Change and Environment, Food and Rural Affairs

3.38 pm

The Secretary of State for Energy and Climate Change (Edward Miliband): It is a great privilege to open this debate on the Gracious Speech and its plans on energy and the environment.

The debate comes as people in Cumbria are battling the worst flooding in memory and I want to start by paying tribute to PC Bill Barker, who tragically lost his life, and to others who have lost their lives around the country. I am sure the thoughts of the whole House are with their families.

We thank the emergency services for the work that they are doing and hope that the people who have been forced out of their homes can return to them as soon as possible. Such flooding will become more frequent because of climate change, which makes the Flood and Water Management Bill, overseen by my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs, so important. The Bill is a crucial part of implementing Sir Michael Pitt's recommendations.

We must act not just to adapt to climate change but to prevent it. That is the focus of my Department's work and the Energy Bill, announced in the Queen's Speech. The context of that Bill is the crucial starting point for this debate on the Gracious Speech, because I believe that we need candour above all on the reasons why we must act on climate change, the scale of the challenge that we face and what we need to do about that challenge.

There is a real danger to this argument, which is that somehow it is suggested that the science of climate change is in doubt. It is very important that we show that it is not. Today, the Met Office, the National Environment Research Council and the Royal Society issued a joint statement, and it is worth mentioning some of the key points. They say that global carbon dioxide concentrations continue to rise and that the decade 2000-09 has been warmer on average than any other decade in the previous 150 years. They add that Arctic summer sea ice cover declined suddenly in 2007 and 2008, and that there is

"increasing evidence of continued and accelerating sea level rises around the world."

Those organisations also say that the science has become clearer and that, if anything, the dangers are becoming more pronounced.

Lembit Öpik (Montgomeryshire) (LD): Does the Secretary of State get very frustrated, as I do, by the small number of deniers who still think that climate change is not happening? Anyone who comes to Montgomeryshire today will see a large swathe of my constituency under water, something that is happening more and more frequently. The reality is that climate change is happening, we have caused it and, as he rightly points out, we have to fix it.

Edward Miliband: I agree. In the year or so that I have been doing this job, I have learned that we have to remake the case for the science each time we talk about these issues. There are too many noises off from people who say that the science is somehow not proven, or that experts differ. Let us be clear: the overwhelming consensus of scientific evidence says that climate change is happening and that it is man-made.

Mr. Lindsay Hoyle (Chorley) (Lab) Will my right hon. Friend give way?

Joan Walley (Stoke-on-Trent, North) (Lab) *rose—*

Daniel Kawczynski (Shrewsbury and Atcham) (Con) *rose—*

Edward Miliband: My goodness, what a range of choices. I give way first to my hon. Friend the Member for Stoke-on-Trent, North (Joan Walley).

Joan Walley: I am so grateful to my right hon. Friend. On that point, does he agree that the 10:10 campaign is doing a great deal to promote awareness of the seriousness of the situation that we face, which is backed up by the scientific evidence? Do we not need more local initiatives so that everyone can understand the big picture and take action locally as well?

Edward Miliband: I agree absolutely with my hon. Friend.

Mr. Hoyle: My right hon. Friend has touched on part of the problem, which is that some people are in denial. However, the majority of the world recognises that the problem has an impact on everybody. What can he do to ensure that there is international collaboration on good, positive schemes, such as carbon capture and the other initiatives that are emerging? Does he agree that we must ensure that developing countries such as China, Brazil and India also get that technology?

Edward Miliband: My hon. Friend makes an extremely eloquent point, and one of the most important purposes of the upcoming Copenhagen summit is precisely to encourage the sort of co-operation that he mentions. We must also ensure that all countries take action, and that is a central part of tackling the problem.

Daniel Kawczynski: The right hon. Gentleman started by talking about flooding, and many of us who represent constituencies that flood have been raising these issues for many years. The river in Shrewsbury has been rising again, threatening the town. When he makes announcements about future plans for flood defences, will the Government ensure that there is considerable debate about wet washland schemes and about managing rivers across large areas, rather than piecemeal defences?

Edward Miliband: My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs assures me that that is an important part of the debate. It is worth saying that we have increased flood defence spending, but the point that the hon. Gentleman makes is absolutely correct.

I believe that the science is clear. I also believe that the case for action does not rest simply on the environmental catastrophe that awaits if we do not act: there is also a positive argument, to which the Energy Bill in the Queen's Speech speaks.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I could not agree more with the Secretary of State when he says that we need to have confidence in the science. Does he therefore agree with the remarks of George Monbiot in *The Guardian* today? He says:

"The emails extracted...from the climatic research unit at the University of East Anglia could scarcely be more damaging...There appears to be evidence here of attempts to prevent scientific data from being released, and even to destroy material that was subject to a freedom of information request.

Worse still, some of the emails suggest efforts to prevent the publication of work by climate sceptics, or to keep it out of a report by the Intergovernmental Panel on Climate Change."

He concludes:

"I believe that the head of the unit, Phil Jones, should now resign. Some of the data discussed in the emails should be re-analysed."

Will the right hon. Gentleman comment on that?

Edward Miliband: That is certainly an unusual alliance—George Monbiot and the right hon. Gentleman. In all seriousness, my view is that there should be maximum transparency about the data that exist. I know that in debate on related questions, one of my ministerial colleagues talked to the right hon. Gentleman about the way in which the Met Office was seeking permission for the release of the raw data; the right hon. Gentleman has been campaigning for that. Maximum transparency can only help the case of those who believe that climate change is real and man-made; that is important. I will not comment on the e-mails, because I have not seen the detail, but I clearly say to him that transparency is important.

The only other point that I would make to the right hon. Gentleman is that we should be cautious about using leaked partial e-mails to cast doubt on the scientific consensus, because that is dangerous and irresponsible. The scientific consensus is clear. Although there must be transparency of data, we should be responsible in how we talk about the issues. Let us be clear: the more we cast doubt on such questions, the more we question the case for action. The case for action involves making difficult decisions—a point that I shall come on to.

Tim Farron (Westmorland and Lonsdale) (LD): May I assure the right hon. Gentleman that my constituents need no convincing that climate change is real? The evidence is before our eyes in Cumbria today. Does he agree that denial and scepticism are basically an excuse for copping out and not taking the action that we need to take? As for the events that we are witnessing this week in Cumbria, we sometimes refer to such events as incidents that take place once in 100 or 1,000 years. Does he agree that that is unfortunate and inaccurate language? It might be accurate to say those sorts of things when looking backwards, but looking forward, such events will become much more regular because of the climate change to which he refers.

Edward Miliband: Indeed. The hon. Gentleman is right: the standard will change over time. There was severe flooding in my constituency in 2007. That had last happened in the 1950s, but the flooding was described as a once-in-100-years or once-in-1,000-years event. The way that we talk about such matters needs to change.

Mr. John Baron (Billericay) (Con): Will the right hon. Gentleman give way?

Edward Miliband: I will, and then I will make a bit of progress.

Mr. Baron: The Secretary of State is being very generous in giving way. I am sure that he will agree that if we are to reduce our carbon footprint, it is important to lower domestic fuel consumption, including fuel bills, wherever possible. Some months ago, I raised with him the idea that we should oblige energy companies to print on all domestic bills whether customers are on the company's cheapest tariff, and if they are not, the company should put how much the customer would save by changing or switching. He kindly said that it was an ingenious idea, yet recently I received a letter from his Department saying that the Government could no longer support it. What has changed his mind?

Edward Miliband: We absolutely support the idea; indeed, Ofgem is bringing in regulations to ensure that people get an annual statement about where they can get a better tariff from the company concerned. I hope that that will reassure the hon. Gentleman.

I briefly want to mention the positive case. There are real gains for our economy if we make the low-carbon transition and if, at Copenhagen, the world signals that it will make the low-carbon transition. There would be jobs in new industries, including the wind industry. The money allocated in the Budget by my right hon. Friend the Chancellor is already being used to help wind companies such as Clipper in north-east England, which is developing the largest offshore wind blade in the world; it is larger than a jumbo jet. There is money for wave and tidal power, and money for venture capital investment in green industry.

The point is both to avoid environmental calamity down the road and to talk about the positive benefits for our economy, energy security and quality of life. However, the scale of the challenge is enormous. Nowhere will that be more clear than at Copenhagen, and my hon. Friend the Member for Chorley (Mr. Hoyle) referred to the issues. The UK is determined to play its part in getting an ambitious agreement at Copenhagen. That is why we have committed to 34 per cent. reductions in our carbon emissions by 2020, to more as part of an ambitious agreement at Copenhagen, and to 80 per cent. cuts by 2050.

It is worth asking, "What do 80 per cent. cuts by 2050 mean?" because that is very much the context of this debate. They mean huge ambition—near zero-carbon homes, substantial cuts in transport, and near zero-carbon

energy. That shows the scale of the challenge. At the same time, because of electric cars and the electrification of rail and heating, it will in all likelihood—in a sense, this is the biggest challenge—mean more use of electricity, which must be low carbon. That is what makes the decarbonisation of our energy supply the most important and urgent task that we face, and that is what the Energy Bill in the Gracious Speech addresses.

Mr. Hugo Swire (East Devon) (Con): One of the greatest polluters is the marine industry, which deploys large supertankers. As the Secretary of State will be aware, at the moment a considerable number of supertankers are carrying oil in very sensitive areas off the shore of the UK, waiting for the price of fuel to increase. Is that a matter of concern to him, and is there anything that he proposes to—or, indeed, can—do about it?

Edward Miliband: Controlling the movement of supertankers is tough, but maritime shipping and aviation are important, and must be part of the Copenhagen deal in my view. Unless we can get action across the board, including in the sector to which the hon. Gentleman referred, we will find it much harder to tackle the problem.

Simon Hughes (North Southwark and Bermondsey) (LD): The Secretary of State has repeated that shipping, like aviation, is hugely important if we are to get the right climate in future. Why, then, does the parliamentary answer that I have just received say that of the 38 people his Department is sending to Copenhagen at least 19 are flying there, given that perfectly adequate, and probably cheaper, rail journeys are available?

Edward Miliband: I hate to tell the hon. Gentleman this, but I think we might be taking more than 38 people to Copenhagen. However, I am sure that as many of them as possible will travel by train, and I am sure that we will investigate all the possibilities for getting there.

Dr. Andrew Murrison (Westbury) (Con): The Minister briefly mentioned electric cars—indeed, the Prime Minister mentioned them at the G8 in 2008, when he said that the UK should be at the forefront of the electric car revolution. However, with the exception of the efforts by the Mayor of London in the capital, very little appears to have been done, while our competitors are streets ahead, even gas-guzzling America, which has increased its total of electric cars by 27 per cent. on average since 1992. What is the Minister going to do about it?

Edward Miliband: The hon. Gentleman obviously did not notice the incentive that we have unveiled precisely to encourage electric cars in this country, as well as the charging points that my right hon. Friend the Secretary of State for Communities and Local Government discussed last week.

That takes me to the issue of energy, and I repeat that we face big challenges in that area. No one should pretend the scale of the challenge is not huge. Our plans will mean that approximately 10,000 wind turbines will be built between now and 2020, as part of the strategy for achieving 30 per cent. renewable electricity by 2020. It means having nuclear power stations, which is why we made national policy statements on that two weeks ago. That requires hard decisions, and we should be honest about that. It requires giving people a voice—that is important in the new planning process—but it also means, in my view, facing down those who would say no to wind, or to nuclear, or to clean coal. The scale of the challenge that we face is enormous, and it requires a culture change, as our countryside is going to change, because we need a low-carbon energy infrastructure. It also means driving forward on clean coal and saying no to those who oppose it.

One clean-coal power station in the UK has already received a provisional allocation of €160 million in funding. In the new year, we will announce how we will spend the £90 million to be allocated for engineering and design as part of the next stage of our carbon capture and storage competition. The crucial thing about the Energy Bill is that it legislates for a clean-coal levy to provide funding for up to four demonstration projects. That will provide funding of up to £9.5 billion over the coming two decades—the largest single investment in CCS of any country in the world, including the United States.

Mr. Brian Binley (Northampton, South) (Con) *rose—*

Edward Miliband: I give way to the hon. Gentleman, who is a doughty fighter for clean coal.

Mr. Binley: I am always pleased to hear the Minister's words on clean coal, as he knows. However, we talk glibly about "up to four" demonstrations, and we talk about ensuring that those things happen without providing the finance to do so properly. When will we know exactly how many demonstrations there will be, and when will we know when the money will be available to get them moving?

Edward Miliband: The plan is that the money starts to flow from 2011, subject to the House passing the Energy Bill. The levy is precisely designed to give the certain stream of funding that the hon. Gentleman mentions. Our view was that in difficult fiscal times it was right to make this investment and to provide a clear and certain stream of funding. That is the plan.

David Taylor (North-West Leicestershire) (Lab/Co-op): With 800 million tonnes of coal in north-east Leicestershire ready to be extracted, I would be the first to support the advance of clean coal technology, but does the Secretary of State recognise that in the interim, there is a risk of an expansion of open-cast coal, which is one of the most environmentally damaging activities that we can see in the midlands of England? That should be headed off, should it not?

Edward Miliband: It is important to say that the position on open-cast mining has not changed and the planning guidance has not changed. The Government's position is as it has been. It is for that planning guidance to be properly interpreted.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am grateful to the Secretary of State, who is being extremely generous with his time. On clean coal, he says that already one plant has received a funding allocation for a carbon capture and storage project, but the 2003

[Mr. Stephen Crabb]

energy White Paper referred to CCS technologies and the need for projects. We have lost five or six years. The Secretary of State is in no position to brag about speedy progress on carbon capture.

Edward Miliband: I am in a position not to brag but to say that it is important that we are doing what many hon. Members called for—providing certainty about the stream of funding. Provided that the Bill gets through the House, it will provide the certain stream of funding that I know the hon. Gentleman wants.

Willie Rennie (Dunfermline and West Fife) (LD): I welcome the Secretary of State's support for carbon capture. In West Fife there is certainly support for Longannet being one of those carbon capture demonstration projects, but I fear that the timetable is slipping: 2014 is a date that is not mentioned any more. Can the Secretary of State give an assurance that the pilots and the roll-out of carbon capture are not being subtly delayed?

Edward Miliband: No, they are not, and 2014 has always been part of our criteria for the competition. That remains the case. The hon. Gentleman will know that, as with any procurement, the rules cannot be changed half way through the process, so the rules are as they have always been.

I was saying what the case is. There is a UK case, which all hon. Members are aware of, and there is a global case. On its own, coal accounts for around a third of all global CO_2 emissions. That is why it is so necessary to make progress on CCS, and why we should make our contribution in the UK. It is also—this goes to my point about the economic opportunity for Britain in tackling climate change—a huge economic opportunity. I pay tribute to regional development agencies and others who are working on potential clusters in their own areas. That is true in Yorkshire and in other parts of the country. All these can be eligible for the levy and the funding that that will provide. The possibilities are significant. Independent estimates say that we could have up to 60,000 jobs in the UK as a result of moving towards CCS, with the demonstration projects that I have talked about as the hub.

In respect of our low carbon and energy infrastructure, there are difficult decisions to be made on renewables, nuclear and clean coal, but the other half of the equation is the cost that we face. It is important that we face up to those costs. The low carbon transition plan was clear about the costs and the impacts on bills. The CCS levy will add 2 or 3 per cent. to electricity bills by 2020, as we have set out. The only way we take people with us in this process is by showing that the price impacts can be fair.

Mr. Baron: Will the Secretary of State give way?

Edward Miliband: I have already given way to the hon. Gentleman. I want to make progress.

We are acting in the Bill and elsewhere to make the transition as fair as it can be. We are acting to help people reduce the energy that they use, and in the past year 1.5 million households received support to improve their insulation. We are acting to help people meet the higher energy costs of winter through the winter fuel payment, and, as a result of the action that has been taken, in the past year we have eliminated the differential between pre-payment and standard credit customers. In 2008, the average dual-fuel pre-payment customer paid £41 more than the average standard credit dual-fuel customer; now they pay £4 less. But we know that we need to do more, and that is what the Energy Bill tries to do through a series of changes.

Mr. Baron: On that point, will the Secretary of State give way?

Edward Miliband: I am going to be very generous to the hon. Gentleman.

Mr. Baron: The answer that the Secretary of State gave me about the Ofgem annual statement was, I respectfully point out, incorrect. The annual statement will not explain to customers whether they are on the cheapest tariff or what they should do to switch. Will he answer my original question? When he first described the idea, he called it ingenious, but his Department no longer supports it. Why the change?

Edward Miliband: I do not think that the hon. Gentleman is correct, but if he is I shall be happy to make representations to Ofgem, because we need the fullest information possible for consumers. That is what Ofgem's planned annual statement is designed to do, and, as it is coming in next year, I am sure that there will be time to influence it.

Let me list three things that the Energy Bill will do. First, it will make social price support mandatory. At the moment, vulnerable customers rely on a voluntary system to receive a reduced rate on energy. The voluntary systems mean that more than 1 million customer accounts have benefited from lower prices, but I fully acknowledge that we need to do more, and that is why we will make compulsory that support and increase the available amount of social price support.

Secondly, the regulator needs stronger powers to deal with abuse, and the Bill will specifically act to prevent the exploitation of market power by energy generators. Thirdly, not only do we need stronger powers for the regulator but we need the regulator to use them, so the Bill will change Ofgem's remit to reflect the fact—this is very important—that relying on competition alone is insufficient if we are to provide the consumer protection that we need. My message is very clear—the regulator must step in proactively where competition is not sufficient to protect the interests of consumers. We will make that very clear.

John Mann (Bassetlaw) (Lab): A number of people in my constituency would like to use less electricity, but unfortunately the communal heating systems that the local authority refuses to change prohibits them from doing so. Will the Secretary of State look at whether an amendment could be added to the Bill to compel local authorities to get rid of those inefficient and environmentally unfriendly communal heating systems?

Edward Miliband: I thought that we were rather in favour of community heating, but perhaps not in the case that my hon. Friend talks about. I fear an increase

in this trend whereby I receive lots of invitations to add to our Bill, which I am told has to be short and concise. Indeed, I think that it is. However, I shall definitely look at what my hon. Friend has to say on that question.

Mr. Mike Weir (Angus) (SNP): I support what the Secretary of State said about mandatory social tariffs, but we need to introduce the data-sharing provisions that were passed in a previous Bill. I understand, however, that an ongoing Department for Work and Pensions pilot must end before data sharing can be introduced, so what is the time scale for making it available to energy companies?

Edward Miliband: I am reassured by the Under-Secretary of State for Energy and Climate Change, my hon. Friend the Member for Stafford (Mr. Kidney), that the regulations will be out this week, so that is a clear sign of delivery by the Department of Energy and Climate Change.

David Taylor: I thank my right hon. Friend for giving way for a second time. Social tariffs drive down electricity bills, but so does energy efficiency. Will he comment on the plans that have been floated to make available to all 25 million households in Britain energy efficiency loans of £6,500? Is he aware that the cost would be about £160 billion, a sum not unadjacent to 10 per cent. of GDP? Is that a cost-effective way of using taxpayers' money?

Edward Miliband: My hon. Friend makes his point eloquently. My hon. Friend the Minister of State and the hon. Member for Tunbridge Wells (Greg Clark) have become pen pals on that issue, but I have to say that her letters have been better than his. I shall turn to that subject in a moment.

My message is very clear: the regulator must step in proactively where competition is not sufficient to protect the interests of consumers. Let me also make it clear that the new system of quarterly reporting on wholesale and retail prices that we introduced is designed to bring transparency and fairness for consumers. We look forward to the next quarterly report, because when there is a case for price reductions they need to be passed on to consumers. Taken together, the measures that we have announced in the Queen's Speech confront the hard choices that we have to make in relation to climate change: hard choices about our energy infrastructure, about energy bills, and about protection for vulnerable consumers.

I search in this debate for that elusive thing, all-party consensus, but on domestic policy I am not optimistic. It has to be said that the Conservatives are outstanding at green image-making. Let us be honest, the image that we all remember—perhaps their finest moment; I think it was the brainchild of the hon. Member for Bexhill and Battle (Gregory Barker)—is the huskies. *[Interruption.]* There was not a car driving behind the huskies—that was in the case of the bicycle. The test for the Opposition in this debate on the Gracious Address is whether they can match the huskies with clear and concrete policy making. So far, they have not done very well, but the Queen's Speech represents a chance for them to support us in five particular areas. *[Interruption.]* The hon. Member for Bexhill and Battle refers to the green investment bank. That policy was announced today. The green investment bank is the first bank in world history to be announced with no money attached to it—it will not be much of a bank, in my view.

This is an opportunity for the Conservative party to join the all-party consensus in this debate. There are five questions that I hope that the hon. Member for Tunbridge Wells will be able to answer—the five tests, one might call them. The Conservatives need to face up to the hard choices that are necessary. First, I say that the CCS levy is necessary: does he agree? I will be interested to hear his reply. Secondly, they need to face up to the hard choices necessary on low-carbon infrastructure in general. We say that it is right to go ahead with the Infrastructure Planning Commission, but the local government spokesman for the Conservatives says that they would abolish the IPC. Business says that it is very worried about that plan because it would set back the process of building our low-carbon infrastructure.

Thirdly, we say that it is wrong that 60 per cent. of wind turbine applications are turned down by Conservative councils, because that will not get us the low-carbon energy infrastructure that we need. *[Interruption.]* Just to be clear about this, 60 per cent. of such applications made to Conservative councils are turned down. That is not surprising, given that the shadow Business Secretary says:

> "My view is that those few wild and open spaces that we have left in Britain should not be used for wind turbines".

There would be no onshore wind at all under the Conservatives. The hon. Member for Tunbridge Wells will have to tell us whether he agrees with me that we need onshore wind to contribute towards a renewable energy target of 15 per cent. or agrees with his right hon. and learned Friend the shadow Business Secretary.

Fourthly, there is the issue of costs, which was mentioned by my hon. Friend the Member for North-West Leicestershire (David Taylor). The Conservatives cannot simply keep going round promising things that they do not have a clue how they are going to pay for. The latest example is the promise of £6,500 for every household, which would cost £150 billion or more, as my hon. Friend the Minister of State has made clear. They have absolutely no idea how they are going to pay for that policy, and I will be interested to hear what the hon. Member for Tunbridge Wells has to say about it.

Finally, there is the international dimension of climate change. That is not about the huskies—it is about Europe. What are the Conservatives doing in Europe? They are hanging around with climate change deniers in their new grouping. What did Roger Helmer, the Conservative MEP, choose to do this week, of all weeks? He organised a conference of climate change deniers. What kind of signal does that send? I think it sends a ridiculous signal, and I will be interested to hear the views of the hon. Member for Tunbridge Wells. The truth is that on the CCS levy, on energy infrastructure, on costing their policies, and on Europe, the Conservatives are not willing to face up to the hard choices necessary to make the green energy revolution happen.

By contrast, we are willing to face up to the hard choices. We have a clear plan with a clear policy. It is guided by the science, it makes the case for action economically as well as environmentally, and it is about taking the carbon out of our economy. The Queen's

[Edward Miliband]

Speech makes an essential contribution to that task and to combating dangerous climate change, adapting to it and ensuring that the low-carbon transition is fair. I commend the Gracious Speech to the House.

4.10 pm

Greg Clark (Tunbridge Wells) (Con): I begin by expressing my solidarity with what the Secretary of State said about our concerns for the people of Cumbria and other parts of the country given the devastating floods that they have suffered during recent days. I believe that that part of the country is braced for further inclement weather, so perhaps the Secretary of State for Environment, Food and Rural Affairs might take the trouble in his remarks at the end of the debate to update us on what is going on there. We all know that the family of PC Barker will never be consoled over his loss, but they should know that we are united in admiration for the heroic father of the children in that family.

It is always a pleasure to debate matters with the Secretary of State for Energy and Climate Change. We have seen something of a starfest in these Queen's Speech debates in recent days. We started with the Secretary of State for Children, Schools and Families, moved on to the Energy Secretary's brother, the Foreign Secretary, and now we have the right hon. Gentleman himself. One could be forgiven for thinking that this was an early hustings meeting for the future leadership of the Labour party. I suspect that that accounts for the thinness of the attendance on the Labour Benches.

There is a degree of consensus, despite the Secretary of State's attempts towards the end of his speech to sow the seeds of division, which were not particularly necessary. He mentioned the Energy Bill, but he must realise that at this stage of a Parliament, faced with the current crisis in our energy security, it is so weak and feeble in its contribution to solving the problem as to defy belief. As has been mentioned, we have had news today that last winter, there was a 40 per cent. increase in the number of excess winter deaths—people who sadly died in advance of what was expected. If that is not a clarion call for an urgent increase in the energy efficiency of properties in this country, especially for people who are vulnerable and in need, particularly pensioners, I do not know what is. Yet that fails to appear in any part of the Bill, which is a great disappointment to Conservative Members and, I suspect, to those of all parties.

Unbelievably, the Bill is not purposeful in its intentions. It is timid and provides powers that will need to be enacted in a future Session. It does not get to grips with the urgency of the problem. It fails to take into account the urgency of the opportunity that we have been pointing out, which is a shame, because there is cross-party consensus on addressing our need to close the energy gap that has opened up.

That is the context in which we debate these matters. For the first time since the 1970s this country faces a shortfall in its energy generation capacity and the Government have had to admit that we face power cuts in the decade ahead. It is back to the 1970s—that was disclosed in the Government's own paper, which was published and announced to the House in July.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): The hon. Gentleman makes a valid point about the need for more energy in the future, and particularly for more renewable energy, so will he tell the House what he is going to do to persuade his party's council leaders to approve more wind farm applications rather than reject them in the numbers that they are currently rejecting them?

Greg Clark: If the hon. Lady will be patient, I will answer the Secretary of State's question about that in great detail; I have no problem with doing that. However, we should be aware of the chasm that faces us: power cuts that will affect British industry and consumers and be equivalent to an hour's black-out for a quarter of the British population. What a humiliation it is that we are in that position.

Mr. Swire: My hon. Friend is talking about the future, but an immediate problem is storage capacity, particularly for gas. Other countries, such as France, have far greater capacity. Does he agree that our current capacity is woefully inadequate, and that the Government have not had their eye on the ball?

Greg Clark: My hon. Friend is right and it is completely inadequate. The Energy Bill was an opportunity to take urgent action on this point. Other countries protect themselves against the possibility of interrupted gas supplies, but nothing in the Bill would address that problem.

Nia Griffith (Llanelli) (Lab): How did the Conservatives' policies in the 1980s help to secure energy supplies—they wrecked the coal industry—and will the hon. Gentleman tell us about the power stations that his party constructed in the 1980s and 1990s that would have prevented the crisis that we are now facing?

Greg Clark: I do not know whether the hon. Lady is with us on the need to decarbonise our production of electricity, but one of the problems that we face at the moment is the fact that our coal-fired power stations cause nitrogen and sulphur dioxide pollution and contribute disastrously to our climate change objectives. So the unabated reliance on coal that she implies is not the answer.

Miss Julie Kirkbride (Bromsgrove) (Con): If Labour Members want a lesson in history, they need only look back some five years, when the Government published an energy White Paper on future energy needs and completely dismissed the idea that nuclear power stations should be recommissioned. That was absolutely ridiculous.

Greg Clark: My hon. Friend is right. Indeed, the Government have failed to take the right decisions on all of these different technologies. They have got us into this position because they have failed, over a 12-year period, to take the necessary decisions for our national energy security. That should not be a surprise, because it is the same approach they took on the economy, where they failed to address the problems that were evidently mounting, instead hoping to be able to look the other way and ignore them.

Mr. Laurence Robertson (Tewkesbury) (Con): My hon. Friend talks about the weakness of the Energy Bill, but he will recall that the Government passed the Energy Act 2004. I had the honour of leading for the Opposition on that Bill, and while it did a few useful things, it entirely disregarded the problem that we are facing.

Greg Clark: It has been a consistent tendency of the Government's over the past 12 years to behave like an ostrich, put their head in the sand and duck these issues—*[Interruption.]* Labour Members moan, but let us go through each option in turn. For example, the whole House has known for the past 12 years that North sea oil and gas production would peak and go into decline during the years ahead. There was nothing much to be done about that, but we should have prepared for the inevitability of needing to import greater supplies of gas. What happens in other countries that rely on gas to heat and power their homes? They ensure that they have enough storage capacity to get them through the winter—

Mr. Swire: By law.

Greg Clark: As my hon. Friend says, that is a legal requirement in many cases. Have we seen such an approach in the past 12 years from the Government? Of course we have not, and the result is that we have—at the present rate of consumption in the winter—fewer than 15 days' storage capacity for gas supplies. Germany has 99 days and France has 125 days of storage capacity. As the Secretary of State knows, in February when we faced a combination of a severe winter and the dispute between Russia and Ukraine, which disrupted gas supplies across Europe, we had left in storage just four days worth of gas. If that were this week, that would not be enough to get us to the weekend. That is an abysmal record for this Government. Nor did the problem emerge from a clear, blue sky: it was predictable and foreseeable.

Another example is nuclear energy. We have known for the whole of the past decade that our nuclear fleet would come to the end of its planned life by the end of the decade ahead, but where was the realisation that that would lead to a shortfall in our energy-generating capacity? It was not there. We are now in the ridiculous situation where it is too late for us to renew the contribution from our existing nuclear fleet before it is closed down. We cannot have new nuclear power stations up and running by 2017. Yet again, that is an abdication of responsibility by this Government over 12 years.

When the Government finally publish the long-awaited planning statement on nuclear—indeed, it is six months overdue—they leave it open to further delay through the possibility of judicial review. However, that could have been proofed against if only they had followed the right democratic course and allowed this House to vote on the statement and ratify it, thereby clearly expressing the view of the people through the House, so that when it comes to judicial review, investors can have a greater reliance on it.

The hon. Member for Llanelli (Nia Griffith) mentioned coal. We have known for many years that our most polluting coal-fired power stations would need to be turned off in the years ahead, but have we had a plan to replace them with clean coal capacity? What do you think, Mr. Speaker? Of course we have not. There is a gap there, just as there is a gap in all the other technologies. The Secretary of State trumpeted his proposals in the Energy Bill that will come before us to introduce a levy to pay for that process—or, I should say, to introduce the powers later that would give him the opportunity to introduce a levy to pay for it.

However, given that we have known for so long that coal without CCS is not viable, why has it taken a proposal in the Energy Bill in this Queen's Speech, so late in the day, for us even to think about how it will be paid for? As my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) said, going down the CCS route was first mooted in 2003, so why were those proposals not in the Queen's Speech in 2004, 2005, 2006, 2007 or 2008? Only now, in 2009, do we finally get the first inkling that it might be necessary to pass a piece of legislation to turn what I might uncharitably call the right hon. Gentleman's predecessor's hot air on the subject into something approaching an idea that could help with our energy security.

When it comes to renewables, again we have an abysmal record in this country. In the first decade of the 12 and a half years in which the Government have been in office, we increased the share of energy that we generated from renewables from 1 to 1.3 per cent. What a completely pathetic increase, especially when we consider that we have some of the best renewable resources in the world, including a coastline that is the envy of Europe in the opportunities that it provides for wind, wave and tidal energy—none of which has been exploited to its full potential, beyond a bare scratching of the surface. At a time when other countries have substantially increased their contributions from renewables, it is shameful that we have failed to take the opportunities that we have had, and in so doing seen the supply chain for many such technologies move to other countries.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Could the hon. Gentleman therefore explain why his party voted against the financial stimulus, which included a £1.4 billion package for sustainable investment, including in the low-carbon economy in my region?

Greg Clark: I have just been talking about how the Government's approach to the economy very much mirrors their approach to energy. Where they have acted, they have acted unsustainably, but more often they have failed to act. We are in the sad position of not being able to afford the profligacy that the hon. Lady mentions.

Edward Miliband: The hon. Gentleman has just said something significant. He said that we cannot afford the £400 million to which my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) referred, which is investment in green technology. That is what he said.

Greg Clark: No, I am talking about a fiscal stimulus more generally. The right hon. Gentleman knows that we have been talking all week about the proposals that we will make. I will come on to say more about them, but whatever we are talking about—whether gas storage, nuclear, coal or renewables—the Government's record over 12 years, across the board and on all those technologies, has been to create the problem that is now a national emergency for us to solve.

Mr. Peter Ainsworth (East Surrey) (Con): I assure my hon. Friend that this litany of woe is all too familiar to me. Will he comment on the lamentable record on energy efficiency? The energy that we do not use is the greenest, cheapest and most secure of all.

Greg Clark: My hon. Friend is completely right. It is a real disappointment that the Energy Bill does not contain a serious proposal to improve the energy efficiency of our properties. I was asked earlier about our green deal, which has been widely welcomed as offering the opportunity for people to save money on their energy bills. That is much needed—*[Interruption.]* The Secretary of State might not think that that is the case, but his constituents might advise him that they are struggling to pay their bills at the moment. It is important that we find ways to cut the energy consumption in people's homes, especially at this time. In so doing, we should also be helping to reduce our CO_2 emissions. I cannot for the life of me understand why, when everyone recognises that the best way to save energy and money is to stop wasting energy, the Government have wasted the opportunity provided by the Queen's Speech and the Energy Bill finally to do something about that.

Mr. Swire: Does my hon. Friend agree that one of the Government's biggest omissions has been in not considering rural areas, especially areas such as Devon, which have very old houses that are much more difficult to insulate? They have provided no significant extra funds for such insulation.

Greg Clark: My hon. Friend is right. When we were designing our green deal, we were determined that the limit of £6,500 should be high enough to ensure not only that it covered the basic cavity walls and loft insulation available for modern houses, but that houses that are harder to treat—I hesitate to say "hard to treat", because it is important to get the message out that they can be treated—can be treated in such a way that actually saves money. We need to unlock the savings that people can make, and use them to release to people up front the cost of making those investments.

It is characteristic of the Government to assume that any proposal that they hear about must involve the expenditure of vast amounts of public funds. That is what they assume all the time—*[Interruption.]* I will enlighten the Secretary of State. When people save money on their energy bills through being more energy efficient, that is costing them less than it otherwise would. That stream of savings continues into the future. Our discussions with the banks have elicited a certain enthusiasm for the proposal that, by taking those savings and capitalising on them, people can get the money up front that is needed to make those investments.

That proposal would benefit everyone in the economy. From day one, it would reduce energy consumption and bills, even after repayment, for the people who engage in such improvements. It would reduce our CO_2 emissions and provide work for energy efficiency installers at a time when the construction industry is suffering. It would also provide apprenticeships. It would provide a stimulus to the economy that would not have the effect that the Government's stimulus is having—namely, to saddle future generations with debts without the means of repaying them. There could not be a better designed policy for the times, and it is a source of sadness to me and others outside the House that the Secretary of State has not had the imagination to put such a proposal into the Queen's Speech.

John Mann: One group of people who cannot benefit are local authority tenants living in accommodation with communal heating systems. The only way they can reduce the heat is to open their windows, and they are still billed for the total cost of the heating by the local authority. Does the hon. Gentleman agree that local authorities that refuse to deal with such inefficiency and continue to bill their tenants, who have no choice, need to be tackled robustly and immediately by the Government?

Greg Clark: I agree with the hon. Gentleman to the extent that, if people are having to open their windows to maintain the right temperature in their homes, that is a problem that should be addressed. I am sure that the modern controls on boilers should be able to address it. In general, I share the Secretary of State's enthusiasm for district heating systems that can provide a more efficient alternative to individual boilers. However, the energy efficiency improvements that we have been talking about apply just as much to the tenants that the hon. Gentleman has just mentioned as to the occupiers of any other kind of house.

Edward Miliband: The hon. Gentleman knows that we have published our own home energy efficiency plan for 700 million households to be insulated by 2020 and we have said that we will pilot it in the low carbon transition plan, which we will be announcing shortly. The problem with the hon. Gentleman's position is that he says that we can give £6,500 to everybody on day one. I do not know how he will pay for every household to have that. I asked him in my speech to clarify—perhaps he can advise us now—how he will pay for that £6,500 on day one.

Greg Clark: I cannot understand why the Secretary of State does not listen, if not to me then to his own speeches. Perhaps he has been too long in the Treasury. Let me remind him of what he said to the Environmental Audit Committee, and I shall comment on it after I have read it:

> "The truth about energy efficiency is that it pays to do it, but the problem is the upfront costs. And the task is to spread those costs over time, not over the time that someone lives in a house, because that might be eight or nine years and that's probably not enough time, to spread it over a longer period so the repayment, if you like, is connected to the house not the person and to find ways"—

[Interruption.] The right hon. Gentleman should listen to this, as I am quoting his own words back to him and this is a particularly important point. He said the task was to find ways

> "in which I think the private sector and others, local councils maybe... can come in and provide that upfront finance".

That is what the Secretary of State said on 27 October to the Environmental Audit Committee, so I suggest that he listens to the evidence that he gives to Committees and puts it in the Bills that he brings before the House.

John Battle (Leeds, West) (Lab) *rose—*

Greg Clark: I want to make some progress. Many hon. Members want to speak and I have already taken several interventions. If I have time, I will come back to the right hon. Gentleman.

It is not surprising that we have been in this mess over such a long period when over the past 12 years of this Government we have had 15 different Energy Ministers. If Ministers are moved every nine months, it is not surprising that they cannot get their heads around this relatively technical subject and do not get enough time to act. It is not as though the creation of the new Department has solved all these problems, although it is a step in the right direction. I discovered the other day that a shadow Department of Energy and Climate Change, if we can believe it, has been set up in Lord Mandelson's empire. Not only is there a shadow Department in the Opposition, but there is a shadow Department—shadowing everything that the Secretary of State does and presumably picking holes in it—in the Government. Not only that: I have discovered that 15 civil servants are employed to do that work. The problem has not been solved; the Government are eating themselves. We are in such a tailspin that the Government are setting up Departments to shadow themselves, which is a pretty poor state of affairs.

We are where we are and this opportunity to achieve a degree of cross-party consensus on some of the necessary measures has arisen; in many cases, we agree on what needs to be done, but a lack of urgency has prevailed during the past 12 years and, sadly, it prevails to this day.

John Battle: I want to be absolutely clear about what the hon. Gentleman is offering the people. If he is offering £6,500 to every family, to be paid for by the energy companies and backed up by either the Government or local authorities, how much does he expect the public coffers to put forward? I understand that he is offering it immediately to every family in Britain.

Greg Clark: I am grateful for that intervention because it allows me to tell the right hon. Gentleman that it will cost the public sector precisely nothing. The savings made on energy bills will be brought forward to pay for the costs. *[Interruption.]* Let me commend something called the McKinsey cost curve to the Secretary of State; I am surprised that he is not familiar with it. The McKinsey cost curve is well known to those of us familiar with the literature. What it shows is that some ways of improving energy efficiency and saving carbon actually save money at the same time—and that is where we should start. It seems to me that if the Secretary of State is aware of that, he is not able to translate it into policy.

Linda Gilroy *rose—*

Greg Clark: I must make some progress now, if the hon. Lady will forgive me.

I want to talk about an area where there is greater agreement—on the international dimension. The Copenhagen summit, meeting in less than two weeks' time, is a crucial opportunity not just for Britain but for the world. We cannot say for sure that the floods in Cumbria were a result of climate change, but what we can say is that events like it are going to be more likely, more severe and more frequent in the future.

This time last week, I was in Bangladesh with the charity Christian Aid, looking at the experience of people living in that part of the world, particularly those living on a delta near the coastline. What struck me about all the villages that I visited was not that flooding, erosion and cyclones were out of their historical experience—life in the delta is clearly dangerous and prone to such events—but that people recalling their childhoods were unanimous in the view that events taking place there now were occurring with much greater severity and frequency than was the case even a generation ago. We cannot say that any individual event is categorically indicative of climate change. However, I think there is consensus between us that such events are happening across the world, and are happening more frequently and more severely.

The meeting in Copenhagen that the Secretary of State is about to attend represents an important opportunity. As we have said before during exchanges on this subject, if a deal is to be done at Copenhagen it must be rigorous and consistent with what the science considers necessary to contain catastrophic climate change. A serious attempt must be made to find a new mechanism enabling us to generate funds covering the additional costs of climate change—additional, that is, to the costs that we have already accepted are needed to help people across the world to deal with their poverty in other respects. It is particularly urgent for the rain forests to be protected by a tangible deal. If there is one thing we can do immediately, it is to stop the destruction of rain forests that can not only reduce the stock of carbon dioxide in the atmosphere, but help the countries in which they are located.

I am optimistic that a positive deal can be struck at Copenhagen. I am sure that there will be tense moments during the weeks ahead when it will seem likely that a deal is slipping away, but I think that it can be done. One by one, countries that were opposed to international agreements—such as the United States, Australia and Japan—are coming aboard. I think that the intervention of China in recent weeks is highly significant. Many of its efforts have been overlooked by the west, but it has made considerable progress.

I also think that the Chinese sense an industrial opportunity. In my view, one of the reasons why the Chinese Government have reversed their position, or at least advanced it towards greater urgency of action on climate change, is that they see that a global economy based on low-carbon sources can offer jobs and prosperity to their people as it can to ours. For instance, 4,000 miles of high-speed electric railway have been installed in China in the past few years, and it has a new and ambitious nuclear power programme. It is clear that the Chinese Government are booking their place for the future.

I share the fear of some of my hon. Friends that we may be falling behind the pace somewhat. Carbon capture and storage is an example. It would be a tragedy for this country if that were indeed the case. We have some of the best resources for the new energy economy. We could not be better placed in terms of our marine engineering skills, some of our research institutions and some of our process engineering skills—not least in Teesside, where I grew up. It is important that we harness those skills to provide jobs for the future, and to serve as a new source of buoyancy in our economy. It

[Greg Clark]

makes me angry to observe the dithering on carbon capture and storage which has resulted in countries around the world such as China, Canada and Germany stealing the lead that we could have had if we had been true to what the Labour party said that it wanted to do a while ago.

Tim Farron: Will the hon. Gentleman give way?

Greg Clark: I will give way one more time.

Tim Farron: Does the hon. Gentleman accept that hydropower, particularly in counties such as Cumbria, provides an opportunity that we have missed massively in recent years? We had a thriving localised hydroelectricity system until the 1950s, but successive Governments have let it go. We know—obviously—about the power of the water in the county of Cumbria, but there are only four working hydro schemes there today. Is that not an outrage, and should we not be building on what is available?

Greg Clark: I completely agree. We have failed across the board to capitalise on our technology. The first industrial revolution started with a reliance on water, not least in the north-west of England. The part of the country that the hon. Member for Westmorland and Lonsdale (Tim Farron) represents is teeming with energy possibilities. It has been described as the energy coast, and that applies a bit inland as well. We should be leading the world in this and it is frustrating that we are not.

The Queen's Speech should have contained a set of urgent actions: an emergency plan to keep the lights on in this country and to reduce CO_2 emissions as we need to and to keep fuel bills down for those in greatest need, not least through energy efficiency. If the Conservative party is elected to government, that is what one will find in the Energy Bill that will be included in the first Queen's Speech of a new Government. We would immediately deploy clean coal technology and would not dither as the Government have done through the competition. We would publish and, subject to a vote in Parliament, immediately ratify the planning guidance that is needed on nuclear—

Edward Miliband: We have done that.

Greg Clark: The right hon. Gentleman says that he has done it, but he has not brought it to this House to be ratified. We would do that so there is proof against judicial review.

We need to have diversity. Churchill said that diversity and diversity alone guaranteed energy security. We should abide by that principle. We will mandate the national grid to extend its network offshore as well as onshore, so that we can better harness the power of the waves, tides and offshore wind. We need to be able to get the benefits to consumers onshore and we need that offshore grid.

We will build marine energy parks—perhaps there might be one in Cumbria—to provide the grid connections and the planning requirements necessary to allow entrepreneurs to promote new energy projects, making use of our fantastic coastal resources. We will provide those parks so that we can have that head start. Rather than hectoring communities that host wind farms, telling them that they are somehow immoral if they entertain any objection at all, we will engage them in dialogue and allow them to share in the benefits of renewable energy. We would allow every community that hosts a wind farm to keep six years' worth of business rates that arise from that investment. Why is that not in the Queen's Speech? It will be in the Queen's Speech if we are elected to government next year.

We will upgrade our 50-year-old national grid to be a smart grid so that it can better balance the supply of electricity, especially from renewables, and the demands. We will speed up the deployment of smart meters. For some reason the Government have been bludgeoned into thinking that smart meters cannot be introduced until the end of 2020, 11 years away. Across the world now, communities are benefiting from the interactivity and the cost savings that come from smart meters. We need to get on with that. Why do we not have this urgent action?

We need charging points for electric vehicles all around the country. We need the kind of consumer revolution that my hon. Friend the Member for Billericay (Mr. Baron)—he has momentarily left his place—talked about. We need information on bills that says not just how much the consumer has consumed—often an estimate at the moment—but how one could go to the cheapest possible tariff, with the number and the link to be able to do that immediately.

We need transparency on wholesale prices. When the wholesale prices of gas are falling, consumers rightly expect that their bills will fall, too. I am not at all satisfied that the present system is clear enough as to whether the right reductions in domestic fuel bills are happening at the right pace. That needs to be investigated and acted on immediately.

We will give every household in the country a green deal that would allow them to have the energy efficiency improvements that would cut our CO_2 emissions, save them money and get people back to work in this country. Immediate action to keep the lights on, to create jobs, to make the UK the industrial leader that it should be in all these technologies and to safeguard our planet—that is what is needed from a Queen's Speech from a Government of this country. The only power cut that we want is an end to the power of this Government and the election of a Government who take these matters seriously. Britain will be better for it.

4.44 pm

Mr. John Prescott (Kingston upon Hull, East) (Lab): I want to address my remarks to the climate change negotiations. They are critical and I think that all speakers recognise that. I also want to set my speech against the background of my experience at Kyoto, because many aspects of that seem to be being repeated as we approach the negotiations at Copenhagen, which I call "Kyoto 2" as we are not developing a new convention, but merely an extension of Kyoto.

The current developments are important. I agree with what the Secretary of State said. The Opposition spokesman, the hon. Member for Tunbridge Wells (Greg Clark), said some things about climate change

towards the end of his speech that I agree with, particularly about how China and other countries have begun to develop in respect of these issues. Momentum is now beginning to develop. People had, however, been suggesting that Copenhagen was going to end in breakdown, and I want to say something about that.

Let me explain something that we learned from Kyoto, as it is important. There seems to have been the view that the Copenhagen negotiations must result in a legally binding agreement. There was not a chance in hell of getting a legally binding agreement, however, as anybody who has looked into the matter will know. I have been saying that for almost 12 months, and I have been criticised for undermining negotiations, but I am pleased to see that we have moved away from plan A, and we are now looking at plan B. What is important is to get an agreement, not a breakdown—everybody agrees that that is critical. I have to note, however, that we did not do a deal in December 1997; we established the principles, and it then took us three years to negotiate the processes by which we would achieve those, and it took us another three or four years before the deal was ratified by the 55 countries that had to ratify it. The time taken was, therefore, up to seven or eight years. In my view, the current situation will not be different. I recognise the 2015 and 2020 timetable and the argument that if we do not meet that, we might fail; however, the real point is to get an agreement.

As we approach the Copenhagen conference, similar lines of opposition are beginning to develop. At the time of Kyoto, a combination of people from the coal, steel and iron industries—all great carbon emitters—got together in America and went to Kyoto and said, "We can't accept this agreement." Fortunately, they were ignored at Kyoto and an agreement was reached. We are, however, already seeing the first signs of a similar line of opposition developing now. I was in America a few months ago, where the same people were again putting in hundreds of millions of dollars to combat the idea of climate change. They were employing a technique that is also now emerging here. I am sure that Members will be well aware that we are suddenly seeing attacks on the science. It has, for instance, been said that some event was merely an exceptional incident, and questions have been raised as to whether someone used the word "trick" in an e-mail, all in order to attempt to undermine the science.

A thousand scientists have said they believe in the science, however. Not so many of those involved at Kyoto said that, but now there is no doubt. Everybody everywhere agrees about this—except Lord Lawson, as I see from the statements he has been making.

Mr. Lilley: Is the right hon. Gentleman aware of the study of all registered climate scientists carried out by Dr. von Storch of the Planck Institute in Germany? It showed that two thirds of scientists agree with the scientific conclusion that the majority of recent warming is produced by anthropological means, but that means that a third of them disagree. Moreover, only 8 per cent. of all scientists thought it was the most important threat to the world's future.

Mr. Prescott: I am sure that studies come up with such results, but I do not think that the people who disagree with the science are in the majority; they are a very small minority. There were people who still believed that the earth was flat, but the rest of us did not generally agree with them. At Kyoto, one or two research bodies were found who came up and said that the science is now doubted. The overwhelming opinion now in almost every country is that the science is accurate, however. That is not the same situation as at Kyoto.

The right hon. Member for Hitchin and Harpenden (Mr. Lilley) quoted an article in *The Guardian*. I read the article, and it also made a statement about not detracting from the central argument about the accuracy of the science. Why did he not quote that? Why did he quote only the bits about the university in question, and so forth? *[Interruption.]* Well, it would be very good if he actually gave us a proper and objective opinion, instead of just selectively quoting from the article, as he did.

I shall now return my attention to Lord Lawson. In an article in *The Times*, he casts doubt on the science, but he also says that he has no idea whether the science is true. He is quite sceptical about it; he produced a book a few years ago making it clear he is sceptical about it. I am bound to say, however, that the fact that he announces this now has the same ring as what happened at Kyoto. Just before people come to the negotiations, they start throwing in all the doubt about the science.

Apparently, Lord Lawson is setting up a

"high-powered all-party (and non-party) think-tank, the Global Warming Policy Foundation".

Obviously that is designed to feed into the current atmosphere that the science is faulty. It is true, as he suggests, that we are making judgments on the science—all Governments are. He desires "open and reasoned debate" and was very upset about the word "trick" in the e-mail from the university—we would all be concerned about that if the imputation is right, but an inquiry is going on into that. I should say to him that this approach is exactly what we found at Kyoto: people come up with some scientific body that they say has done the research and suggested that the science is not acceptable.

I just wondered who is financing this body that Lord Lawson is setting up. We tend to find that such bodies are funded by the oil and coal industry and people like that. So I had a look and found that the Central Europe Trust Ltd is the body that he has set up and his clients are Elf, Total, Shell, BP, Amoco, Texaco—that is a lot of oil companies. From what I can see of it, it is not so much a think-tank as a petrol tank.

We must take that point into account, because Lord Lawson used to say a great deal about money from the trade unions influencing the position of the Labour party and about the people paying the piper calling the tune. It is fair to say that as this operation is being financed by the oil companies, we should perhaps look a little suspiciously at it. The right hon. Member for Hitchin and Harpenden may have a future in this, because he knows the oil companies involved. There seems to be a correlation whereby if someone works for oil companies, they happen to be against the science. Saying that is perhaps a bit naughty, but people get suspicious about the conclusions that are being reached.

The point I wish to make is that the science is right, and we must act on it. The Secretary of State for Energy and Climate Change made it clear in his speech what he has to do about that. The important thing is to ensure

[Mr. Prescott]

that there is momentum. To be fair, I should say that the Opposition spokesman mentioned the kind of changes that are under way. The view has always been that there is not going to be any change in Copenhagen, that things will break down and the issue causing the breakdown tends to be emissions.

Let us consider what is happening, even in the countries that have been mentioned. South Korea, Japan—it promised things at Kyoto and did not deliver on them, but there is a different party in power there now and its Tories have gone—Brazil, Russia and Australia have all decided that they are going to do something about cutting emissions. That is at the heart of this argument.

I was in China last week having discussions with Premier Wen and appealing to him to ensure that the Chinese leadership go to Copenhagen. It was clear from the communiqué that both America and China are considering what further offers they can make on emissions. Of course America faces a difficulty, because it has a constitutional requirement to put things before Congress, but it is nevertheless showing that it might make some judgments about that. China and America are the major emitters, and if they can come to some agreement about emissions, that would represent a major change in the argument.

While I was in China addressing a group and a conference—this was paid by me; nobody else pays the money when I go to these countries—people were discussing how they might now move on this. Where do the difficulties lie? The difficulties are whether we recognise the common but differentiated responsibilities and that the bigger burden should fall on the developed countries—clearly it should—whether we believe there should be an audit if a policy is carried out and whether there will be a timetable on such an audit. Those are very real questions and the Chinese are now discussing how we can achieve progress on them. To that extent, we are getting considerably more movement than we could have expected normally.

Mr. Swire: I understand the right hon. Gentleman is spending an increasing amount of time in China and is getting to know the Chinese. Is he concerned about China's need to extract vast amount of minerals and its raid on mineral resources in Africa? Does he regard that as a wholly benign or malign thing?

Mr. Prescott: That is an interesting point because each industrial country, as it begins to grow, has to get its resources. Every European country—Britain, France and Germany—went through its industrial development but we sent in troops and got the resources by conquest. It was called colonialism. The Chinese are going in and negotiating contracts. I happen to think that that sounds a more harmonious way to do it than the murder that we were involved in when we raped these countries of their resources. We should take a balanced view and not forget our own history, and we should not lecture them too much.

We do not have sufficient resources for the massive amount of growth that will take place in this world. Inequality between the north and the south—it is the rich countries that caused the pollution—is growing and Copenhagen must recognise social injustice. Two thirds of the world are poor and do not have the growth that we have, so any Copenhagen agreement had better find a way of introducing better social equity. That is what we have been doing in the Council of Europe, where I am the rapporteur, and I shall be at Copenhagen.

It is important that we get greater transparency. In my last speech, I said that we should be measuring the problem by gigatonnes instead of by emissions. Measuring emissions is fancy dancing by Europe, basically—people do not know what they are doing, but it looks as if they are doing something. The real point is whether the southern world will get a better chance of growth. When we measure by gigatonnes, we find that the figure per head in America is 20 gigatonnes, in Africa it is 1 gigatonne and in Europe it is 12 gigatonnes. If we begin to set a good example and consider how we can get fairness and equity into the system, that is how we will achieve results in Copenhagen. We have to be very clear about trying to create social justice.

I believe that we are on the way to some agreement. It will not be a matter of dotting the i's and crossing the t's, but of finding a political framework that we can offer. There must be a timetable to it, and Mr. de Boer of the UN made that absolutely clear. He said that the political agreement at Copenhagen has to set out essential principles: first, it must focus on what is realistic and concentrate on the politics of achieving that; and it should get climate change and emissions targets that countries should agree with. I think that is crucial.

There is another factor to consider if we are to get the framework right, which I believe that we can do—we are moving in that direction. On this point, the Government are showing the leadership that they have always shown and as they showed on achieving the Kyoto targets. Leaders must go to Copenhagen. When our Prime Minister said that he was going, he gave a lead. We now have 60 countries going. I appealed to Premier Wen only last week that China must be represented. We decided at the Council of Europe meeting in Paris this week that we will write to India, China and America. The leaders of those three countries must go to Copenhagen, because at the end of the day, as was the case with Kyoto, it is the leaders who decide. It will be a political fix—whether we like it or not. Their involvement is useful because nobody wants to be accused of breaking the agreement. We need to shove them all in the same room and tell them, "If you really mean it about change, if you are talking about our children and their children, and if you are going to make effective change, you can sit in that damn room and come to an agreement. We won't let you out before that." That happened at Kyoto. Many things are being repeated from Kyoto, but we have a moral obligation to achieve an agreement.

Let me make one point that we can learn from. In the 19th century, we spent all our time in mass production. In the 20th century, that became mass consumption. We must learn to have mass sustainability in this century. That is the only key. The decisions are difficult; we must carry the great burden and we should recognise the need for social justice. Countries want to lift their people out of poverty, like we have done, and we should play our part in producing the low-carbon economy to achieve that. Copenhagen will be judged on the social justice embodied in it, and within a financial framework. I am looking forward to that debate, but I hope that I will have the key to the door so that I do not let the buggers out until they have done a deal.

4.58 pm

Simon Hughes (North Southwark and Bermondsey) (LD): It is a pleasure and a privilege to follow the right hon. Member for Kingston upon Hull, East (Mr. Prescott), who was characteristically ebullient and forceful. He has shown fantastic commitment to this issue and I pay tribute to him. Copenhagen needs people like him. I had not heard that the Council of Europe had taken the view that it should specifically request the leaders of China and India to go there. I share absolutely the view that if the leaders of the most powerful nations on the planet are in the same place, the pressure will be on them to ensure that they deliver. All sorts of good things should flow from that, and I shall come back to that point in a second.

I join the Secretary of State for Energy and Climate Change and the hon. Member for Tunbridge Wells (Greg Clark) in recognising the suffering of the people of Cumbria in recent days. I pay tribute to PC Barker and to the police service and public services there. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has been hugely involved, as we would expect from a county Member of Parliament. The Secretary of State for Environment, Food and Rural Affairs has been to see the situation for himself. The whole country will want those people to be supported. The lesson learned from Hull, Gloucestershire and other places affected by flooding is that this will be a long haul. The rest of us must ensure that, especially at this time of year, we give every support at a local and national level to the people in those communities who have to rebuild their lives.

This debate is about two substantive issues. The first is what we can achieve at Copenhagen, a subject that was rightly flagged up in the Queen's Speech as being of huge significance. The second is the legislative opportunity represented by the one Bill that the Government have put on the table—although I agree with the hon. Member for Tunbridge Wells that it is a mouse of a Bill when we could have done with a much more significant mountain of a Bill.

I begin with Copenhagen. The right hon. Member for Kingston upon Hull, East mentioned Yvo de Boer, the lead UN climate change facilitator, and from my reading I know that he and all the people who have followed the negotiations are very clear about two things. The first is that the EU is one of the keyholders in this matter, and the right hon. Gentleman will have seen the comments that Mr. de Boer made yesterday:

"The EU must be clearer now about what it has in its final hand and put that final hand on the table."

Mr. de Boer spoke about the targets and about the money for mitigation and adaptation. The EU has said that, if there is a deal, there will be a commitment to a reduction in emissions of 30 per cent. from 1990 levels across the EU, but I think that we should say that now. I urge the Secretary of State to speak for the UK, to make it clear that this is our view and to try and get the EU to set the same target. If we could go into the talks with that as our commitment across the EU—and not something that is conditional, or dependent on an eventual deal—that would be really helpful.

By definition, the UK has to have a higher commitment to make up for other countries not doing as well. The Secretary of State knows that we on these Benches believe that, if we are really determined, a 40 per cent. cut from 1990 levels is achievable. Yes, that will be tough and difficult but, because we are one of the countries that have been the greatest contributors, it is our obligation.

The other issue on which Mr. de Boer was very clear was the amount of money that rich countries must put in to help the poor ones. For example, I have visited Bangladesh in the past and I appreciate the difficulties that it faces. The Secretary of State for Energy and Climate Change knows that I respect him, but I was disappointed that his remarks contained not one word about finance. I appreciate that legislation is not finance, but we are talking about Copenhagen and no mention has been made today of how any deal on adaptation and mitigation that might be reached there will be financed. I want to be tough on the right hon. Gentleman about financing and its source, so that we get some answers.

We got no answers when we last debated these matters on 5 November, when Ministers repeated what the Prime Minister had said about the need for a universal pot worth €100 billion. In that regard, Mr. de Boer said that rich countries need to declare clear emission targets, and must also commit "very large" sums to the global south for mitigation and adaptation efforts. These sums must be "stable and predictable" so that the third world can move ahead

"without having to constantly re-negotiate the burden sharing every year."

He reckoned that that amounted initially to at least $10 billion a year in immediate financing for the period of 2010-12, but that the global south ultimately would need around $200 billion to mitigate carbon emissions and another $100 billion for adapting to the effects of climate change. Mr. de Boer added that the north must also list what each country will provide and how funds will be raised.

We have not yet heard a word about how the funds will be raised. I believe that the easiest way would be to apply a levy or charge on bunker fuels used by the airline and shipping and industries. They have remained relatively untaxed globally but we know them to be a key cause of the trouble. There may be other sources of funds; it is not for me to say that my suggestions are the only show in town. I hope that when the Secretary of State for Environment, Food and Rural Affairs winds up the debate, he will indicate that the Government's thinking has moved on, and that the Treasury are moving. Bluntly, the issue needs Treasury sign-up, not just sign-up from the Department of Energy and Climate Change and the Department for Environment, Food and Rural Affairs. Unless the Treasury is willing to write the cheques on behalf of UK plc, no cheques will be written.

Mr. de Boer made a point about the time frame; I do not think that there is a difference between the right hon. Member for Kingston upon Hull, East and me on the issue. I have often said from the Liberal Democrat Benches that I did not think that there would be a final deal in December. We should not be frightened by that, but there should not be a deferral indefinitely. Mr. de Boer was very tough:

"As for a timeframe, he felt that a strong agreement was still achievable in Copenhagen, even if not a legally-binding one."

[Simon Hughes]

I think that we share that view. Mr. de Boer

"felt this was acceptable so long as the world's nations only took another two months to 'turn that into treaty language.'

The EU has said this could take up to another year."

There is talk of Mexico in that regard.

There are colleagues who have been in British politics for as long as I have. The politics of the issue is that if there is momentum now, we have to see the matter through to a conclusion before long. I think that the Secretary of State for Energy and Climate Change understands that the politics in the United States, the election cycle and other factors mean that we might lose the momentum. I am clear that the Government will serve Britain well if Ministers make it clear in Copenhagen that if we get the outline deal agreed in December, there should be a resumption early in the new year, so that we can get that deal into a legally binding agreement.

Of course, the United States has to come in on the issue—it has indicated that it might—and so must China, India, Brazil, Russia and Japan, all of which are now being helpful and are giving signs of movement. They have to be part of the process from the beginning. That is not what happened with Kyoto, to which they were not all signed up from the beginning.

Mr. Weir: I am listening carefully to the hon. Gentleman, and I very much agree with him on the need for speed. My concern about not getting an agreement at Copenhagen is that we have spent the past two years going on about the importance of getting a deal that seals in action on climate change. I am deeply concerned about the impact on public opinion if we fail to get a deal. If politicians are seen not to grasp the nettle at this stage, we are in danger of losing momentum with the public, whom we need to take with us on the issue.

Simon Hughes: The hon. Gentleman is absolutely right. His point applies particularly to young people, but huge numbers of people in this country will be interested. My postbag, like that of other hon. Members, shows that there is huge interest in the issue. Climate change is important here, for reasons that people in Cumbria may think are obvious, but it is far more important for countries such as Bangladesh and the Maldives. There are other places for which it is a life or death issue, too, so momentum is vital.

We wish Ministers well, but we hope that we will hear higher targets announced before Copenhagen, as an indicator from the UK. The UK could then lead; that would be to the credit of the Government. It would unite us across Parliament and politics if the Government were bolder. The Treasury has to come along, too, but the obligation to ensure that that happens rests with Ministers.

The Energy Bill effectively does two things. First, it provides for the authorisation of the development of carbon capture and storage. I shall not speak at length about that. That is, inevitably, the way that we must go. We will need coal, but it has to be clean coal. However, we need to move far more quickly. One of my frustrations is that so many of the issues have been on the agenda for as long as I have been in this place—a quarter of a century. The issues are not new, and the Government are really slow to give them any urgency.

In some ways, the second issue dealt with in the Bill is the more important issue—the one that people in the country are concerned about. It is whether there will be fair fuel prices in this country, something that we have not had in our lifetime. As for the call for social justice across the world that the right hon. Member for Kingston upon Hull, East made, there is still a long way to go in this country, for his constituents, mine and others. The poor and people who use less fuel still have to pay relatively more.

I want to give Ministers some direct questions to answer when the Secretary of State for Environment, Food and Rural Affairs winds up. I have looked carefully at the Bill, and understand that it will provide a statutory basis for subsidy for poorer households, once the voluntary deal finishes in a year's time. I also understand that it will change the wording of the obligations on the regulator for gas and electricity supplies. It is not clear to me whether that will guarantee that, in future, every utility company has to have a tariff that does not discriminate at all on the basis of method of payment, and whether it will guarantee that poorer households and low users will always pay at a lower rate than the people who consume more. That is the iniquity. As Ministers know, the unit cost for the low user is higher than the unit cost thereafter. All sorts of fiddles, to put it bluntly, mean that no one can work out the system, because there are 4,000 different tariffs. I should be grateful to know whether Ministers are happy to accept amendments to the Bill that will make that absolutely clear in the measure itself—not in regulations that may, or may not, deliver—so that we can ensure that those things happen.

Mr. Mark Oaten (Winchester) (LD): Does my hon. Friend share my concern that oil and liquefied petroleum gas should be covered by those measures, because many people in rural communities face large oil bills? A lot of rural poverty arises from the fact that individuals cannot get mainstream gas or electricity.

Simon Hughes: My hon. Friend and many other colleagues have consistently made that point to Government. Not only is the situation unfair for people who are not on the gas supply or whatever but there are other iniquities which mean that they have to buy a tank, pay extra charges and so on. It is absolutely right that provisions to deal with that should be included in the Bill.

There was a blinding omission from the Queen's Speech and the proposed legislation, which was touched on by the hon. Member for Tunbridge Wells. My hon. Friend the Member for Chesterfield (Paul Holmes) is in the Chamber, and he spoke about this the other day. In 1983, the Social Democratic party was created, and it fought the election in alliance with the Liberals. I fought that election, and one of our commitments was for warm homes for everyone throughout the country. It was obvious then that most British homes were badly insulated, and that was bad for the poor, because they were paying a lot of money, which was literally going out of the window and the roof. As a result, their bills increased, their homes were not heated properly, and harm was done to the planet. Twenty-five years later, we have barely made progress. According to the latest figures, only one in 100 homes is energy efficient.

The Government could have announced a serious programme in the Queen's Speech to make every home a warm home, instead of introducing piecemeal schemes: a bit here and a bit more there; a top-up for this scheme; a bit of the community energy saving programme, a bit of the carbon emissions reduction target, a bit of Warm Front. There is no reason why the UK should not have a programme, driven by Government and managed locally by local government, street by street, village by village and community by community. That is what we need, but the question of financing then arises. With respect, the hon. Member for Tunbridge Wells ducked that question, because the money must be made available up front. If the work is going to be done, even if it is done by loan, apart from work for the very poorest, the loan has to come from somewhere. He made it clear that not a single penny would come from the Government, and he appeared to imply that there would not even be any Government underwriting or support. I do not think that that is possible, and my right hon. and hon. Friends have said so. We believe that such a scheme has to be underwritten by someone, and we believe that it should be the Government, so that people can take out a loan and pay it back.

I understand the economics of the system: if someone invests in loft or cavity wall insulation, their bills will go down and they can afford the repayment or top-up, but their bills will still be less than they were before. However, we cannot pretend that this is a cost-free exercise. At £6,500 a time, the total cost would be more than £100 billion. At a more realistic £11,500, it may be more like £200 billion. The Tory party is often wonderful at ideas—talking the talk—but as I could prove on lots of other things, it is slightly less convincing when it comes to walking the walk.

Greg Clark: The hon. Gentleman asked a fair question. Clearly, if we are recovering costs through savings on people's energy bills and meter charges, there is a risk of default. That risk also applies to people paying their energy bills through the gas or electricity meter, and it is about 2 per cent. If we include that 2 per cent. default rate in the cost of the scheme, and spread it out for everyone, it is perfectly manageable and financeable. It can be managed without requiring a huge injection of public funds.

Simon Hughes: I do not want the whole debate to be dominated by this topic, but I have read the trailer for and the speech of the Conservative shadow Chancellor. I do not see in it anything that ensures the funding necessary. I am happy to have the debate in private and in public, but whereas we as a party have said for 25 years that we need warm homes for all, there must be something that triggers the funding, otherwise many people will not participate in such a scheme, which makes the proposal unconvincing.

The reason why that is as important now as ever is evidenced by the figures that I cited today—not my figures, but figures from the Office for National Statistics, which showed almost 40,000 extra deaths, above the average, for the winter quarter last year, higher than at any time since the beginning of the decade. That is not happening in other countries with much colder climates than ours, so this is not theory or some wild idea that does not matter. This is about making a fairer Britain and above all protecting the vulnerable from dying in one of the richest countries in the world, where that should not happen.

Mr. Oaten: Many of the vulnerable people to whom my hon. Friend refers live in park and mobile homes. Is he aware that they are unable to take part in the Warm Front schemes? Would it not make sense to include them in the Government schemes?

Simon Hughes: The honest answer to my hon. Friend is that I learned that fact yesterday. Those people should be included.

It is frustrating for my hon. Friend, other colleagues and myself that our hon. Friend the Member for Hazel Grove (Andrew Stunell) got a Bill on the statute book in 2004 for sustainable homes, and our hon. Friend the Member for Somerton and Frome (Mr. Heath) had a private Member's Bill earlier this year to deal with fuel poverty, which would have got through had the Government not blocked it. There have been opportunities, but time and again they have not been taken. I know that work is going on in the Department of Energy and Climate Change. I hope Ministers will realise that we should be seeing the results now. Unless we do, another winter, which is likely to bring problems, will see other people suffering.

I shall make three other points; I am conscious that others want to speak. I want to pick up the point made by the hon. Member for East Devon (Mr. Swire). The Minister was uncharacteristically—flippant is, perhaps, the wrong word—dismissive of the issue. It is scandalous that off the coasts of Britain there are tankers full of oil which are not unloading. They are waiting until the price goes up because they are being managed by the speculators. I know that there is nothing new about that. The global regime means that we have enough of the fuel. The oil is taken out of the ground, put on to tankers, and sits off the shore of the UK, not just anywhere but in vulnerable marine environments such as off the coast of Dorset and the south-west. Some of us well remember the Torrey Canyon.

I ask Ministers in the Department for Transport as well as Ministers in the Chamber—the Secretary of State for Environment, Food and Rural Affairs has a responsibility too, as does the Secretary of State for Energy and Climate Change—to engage with the companies that own the oil and the tankers to ensure that the regime does not allow people to exploit the prices. We know what the effect is. The price of oil has increased—doubled in some cases—over the past year. Petrol at the pumps will probably be a quarter as much again at the end of the year as it was at the beginning.

Prices are going up all the time. People are suffering because of those who are fiddling or abusing the system. I would like to hear from the Government what they intend to do. If they say that they and the global community can do nothing, that is an unacceptable answer. The public would think so, too. The energy companies—I did not hear Ministers say this—have an obligation to respond to the fact that when prices go down, the price to the consumer does not follow, but when prices go up, it seems to follow mighty quickly. The regulatory system has been inadequate since it was set up. I had hoped to hear a much tougher response from Ministers. I hope that we might do so before the end of the debate.

[Simon Hughes]

In relation to other supplies, all parties are concerned that we should have energy security. There is a difference between us: the Labour and Tory parties believe that nuclear is a necessary component; we do not. We can have that argument separately, but the Liberal Democrats believe that nuclear makes a small contribution to dealing with emissions and a small contribution to our need, and that we could do much better and in a more accountable way by renewables.

Paul Holmes (Chesterfield) (LD): Does my hon. Friend not agree that, in costing nuclear power, the Government must include the huge cost—£18 billion was recently suggested—of providing the underground long-term waste storage facility? The industry will never pay for that; it just assumes that the taxpayer will pick up the bill. If that was included in the costs, it would become quite clear not only that not a penny should go to nuclear power, but that the money should go into real clean and renewable energy, which is not nuclear.

Simon Hughes: I absolutely agree. The Government's official advisory body on these matters is absolutely clear: we should not opt for another generation of nuclear power until somebody has come up with something that it and others, who are independent and not politicians, consider to be a safe method not just of storage, but of disposal. That has not been found. That is not my view; it is the view of those charged with advising the Government. My hon. Friend is completely right.

The other day the Government defeated the Liberal Democrat motion on a 10 per cent. reduction in emissions next year. The Conservatives support that reduction today, and they supported it the other day, although I noticed that the Conservative shadow Chancellor and leader were not present to vote for it in the Commons. However, we are pleased to hear that the shadow Chancellor has now bought into it. I think that it is achievable, and if it is not, it should be an aspiration.

The Minister of State, Department of Energy and Climate Change, is on the Front Bench today, and in October her only real argument was, "We cannot do it, because we have already set targets which go to dates beyond that, and this would get in the way of those." I just say to her very simply—*[Interruption.]* I heard her argument and followed it carefully, but the Government set their policy before the 10:10 campaign was launched, and they believe—I could turn to what she said in reply to the debate—that to introduce a 10 per cent. reduction target for the next 12 months would confuse, complicate and undermine the longer-term strategy. I understand the argument, but I do not accept or believe it, and I do not think that the public believe it either. They still see a huge amount of waste from the public sector and the Government.

The public expect the Government to lead, and that is why I intervened on the Secretary of State to say that I was saddened, although not entirely amazed, by his written answer to me explaining that at least half the Ministers and officials going to Copenhagen will fly there. Of all the places—*[Interruption.]* But it is a serious point. People are meant to set an example, so the Government must set an example. They have often made it clear that they are committed to a Copenhagen deal that averts climate crisis, and that they want to do the right thing for a sustainable future, but when the Secretary of State for Environment, Food and Rural Affairs winds up the debate, he must acknowledge that they have to lead by action, not words.

The Queen's Speech contained half as much as the public and the crisis needed. That was not enough, and this is the Government's last chance. These may be the last few months that they are in office, and I am afraid that, if they are trying to make up for lost time, they have not done so with the Queen's Speech.

5.23 pm

Malcolm Wicks (Croydon, North) (Lab): This has been a very useful debate, with good speeches from all parts of the House, although the speech from the hon. Member for Tunbridge Wells (Greg Clark) reminded me, if I may say so humbly, that Opposition wish lists are so much easier than government. However, I hope he never finds that out.

I am convinced that when the historian looks back on this century, energy questions will assume great importance in terms of global affairs. I shall not cover the whole field, but as a framework I suggest that there are about four major questions. The first of those relates to the economics and affordability of energy. Not so long ago, when energy prices were sky-rocketing and the price of a barrel of oil hit $147, the business and economic consequences were extremely serious; that must not be forgotten. Secondly, there are key themes about energy supply and security.

Thirdly, and most important, there is climate science and the importance of making progress at Copenhagen: issues that the former Deputy Prime Minister, my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), spoke about so eloquently and, as usual, with such great passion.

The fourth issue, as my right hon. Friend noted, again with some passion, is social justice, internationally and domestically. The other day, I saw an estimate suggesting that some 1.5 billion people—more than one fifth of the world's population—do not have electricity. Here we are talking about global warming and, in a sense, the over-demand for energy, yet, in terms of inequality and injustice, so many of the people who share this planet with us are nowhere near to getting electricity. Of course, that has a domestic resonance. The Liberal Democrat spokesman reported that the ONS has produced its annual statistics on excess winter mortality. One must be careful about interpreting those figures: for example, flu has an impact, and that varies from year to year. Nevertheless, it is a scandal that in modern western affluent societies we talk in comfort about global warming while many of our constituents might say to us, "Chance would be a fine thing—I'd love some of this global warming in my bedroom or living room." I do not want to get sidetracked on to that subject, which I feel very strongly about. It is a matter of immense importance. I could write a book about it; indeed, more than 30 years ago I did so.

Linda Gilroy: Will my right hon. Friend give way?

Malcolm Wicks: If it is to publicise my out-of-print book, yes.

Linda Gilroy: It certainly is; I was at the Age Concern conference where my right hon. Friend published his book on hypothermia. Does he agree, however, that some of what has been said about the progress that we have made on warm homes plays things down a little bit? I do not know about his constituency, but in mine 2,000 homes have been fitted with insulation.

Malcolm Wicks: I think that both things are true. We have made immense progress, not least under this Government, but there is still so much more that needs to be done.

I want to focus on energy supply and security, putting the issues in a global context but focusing to some extent on Europe and particularly on our own country, the United Kingdom. There are serious matters to consider. When I stopped being Energy Minister a year ago, the Prime Minister asked me to be his representative on energy security. I delivered my report to him in August; it was published by DECC and entitled "Energy Security: A national challenge in a changing world". If my words are of any interest and people want to know more, they will find it in that report.

The key issue is that, post recession, the global grab—the global demand—for energy will surely be maintained. We speak at a peculiar time. According to the International Energy Agency's new report, "World Energy Outlook 2009", this is an almost—I think I use the word properly—unique year, because global demand for energy will go down, as will carbon emissions. When we come out of recession—I hope that we are doing so—this huge increase in demand for energy will be maintained. That is happening at a time when, historically, we are moving away from relative self-sufficiency in terms of indigenous energy in the UK towards a significant import dependency, obviously for oil but also for gas. That involves serious issues as regards energy supply and security. I use the word "security" because this takes on a further resonance of national security. I remember the former Prime Minister Tony Blair, when the Langeled pipeline from Norway was opened—thank goodness we have it—saying that in this century, energy security could become as important to a nation's security as the conventional defence forces. That is at least an interesting point to consider.

We have the benefit of the International Energy Agency, which has painted two scenarios of how global demand will increase. I will not go into too much detail, but they are closely related to Copenhagen. One is a reference scenario, if the energy efficiency and other policies that we have already agreed are implemented. The other is called the "450 scenario", because it sets out a world in which collective action is taken to limit long-term concentrations of greenhouse gases in the atmosphere to 450 parts per million of CO_2 equivalent. Many of today's useful contributions have been about the importance of securing that agreement.

In the reference scenario, into which are built a lot of actions that Governments in Europe have promised and need to take, the assumption is that between 2007 and 2030, global energy demand will increase by 40 per cent. In the far more ambitious 450 scenario—maybe I could call it the Copenhagen scenario—that goes down to 20 per cent. That is still a huge increase, but only half the increase in the reference scenario. People can make their own judgments about what percentage increase is likely to take place in practice.

Although there is much excitement, controversy and debate, not least in the House, about the contribution of new renewable technologies and the fairly new technology of nuclear, that global demand will be met in the main not by wind turbines and nuclear power stations, although they will start to make a greater contribution, but by fossil fuels—coal, gas and oil. They account for three quarters of the increase in demand in the reference scenario, and in the 450 scenario they still account for two thirds of the increase, even though coal is less important.

As we know—this is part of the politics of Copenhagen—most of the extra demand will come from emerging and developing countries. We should be pleased that demand is fairly flat in OECD countries such as our own, even though it goes up and down in different countries. We are beginning to find out how to have economic growth without a correlation with energy demand. The challenge for our country is surely to reduce our demand for energy but move back to economic growth after the recession. According to the latest edition of the IEA's "World Energy Outlook", published just a couple of weeks ago, 93 per cent. of the increase in global demand to 2030 will come from non-OECD countries, driven largely by China and India. We all know the data that can be related to that situation, but just to give an illustration, the number of vehicles in China was some 23 million in 2005. By 2030, it will grow tenfold to 230 million.

Why do I talk about the national security energy challenge? First, let us look at Europe. The EU already depends largely on imports, and that dependency will only grow in magnitude. By 2030, it will be getting some 90 per cent. of its oil, more than 80 per cent. of its gas and 50 per cent. of its coal from outside the Union. Parts of Europe, of course, already depend heavily on Russia, and we know some of the difficulties that that can bring about. Sadly, I would guess that the geopolitics of energy and security will become more important for Europe as the years, and possibly the next few decades, roll by.

Let us look at Great Britain. To generalise, we have been blessed with self-sufficiency. In the pre-industrial era, people used wood and twigs—what would now be called biomass—to cook their food and keep warm by their fires. We then had the development of coal, which fuelled our industrial revolution and our industrial and economic development. After coal, we discovered oil and gas in our backyard, in the North sea on the wider UK continental shelf.

What will happen in the next 10 or 20 years? The North sea oil and gas resources are in decline, although there are still plenty of resources out there, and it is still a major British industry. Many younger, smaller entrepreneurial companies are coming into the North sea, as some of the big boys move on to Brazil and elsewhere. The licensing round is always very active and resources remain to be exploited—for example, West of Shetland—and that augurs well. However, oil and gas production is in decline by 6 to 8 per cent. a year.

Mr. Swire: When the right hon. Gentleman was the Minister for Energy, we debated the issue of North sea oil and how economically sustainable it was. At the time, we discussed the incentives to Scottish drilling companies, as opposed to English drilling companies. Is

[Mr. Swire]

be convinced that we are providing enough incentive to companies that may wish to explore in the North sea to reach oil that otherwise might be uneconomic?

Malcolm Wicks: I am pleased that, in the last year or so, the fiscal regime has become more sensitive to the current position of the UK continental shelf. The Prime Minister asked me to make recommendations, and I recommended that fiscal sensitivity to the North sea—the sheer cost of certain explorations—should be borne in mind by the Government. I think that I am on the same page as the hon. Gentleman.

Mr. Weir: Has the hon. Gentleman read the report from the Select Committee on the oil and gas industry? We made the point that small companies working in the North sea are having difficulties obtaining finance from the banks. Only Lloyds-HBOS is prepared to lend, and only to its existing customers. That is a serious problem for those companies.

Malcolm Wicks: I do understand that point, and I am sure that the Government are aware of it. One of the great dilemmas of economic recession in all fields, and certainly in the energy fields, is that while we can be sure that global demand will increase soon, there has been a significant decline—collapse would be too strong a word—in investment, and that is affecting not only the North sea but the renewable sector.

Mr. Binley: May I ask the right hon. Gentleman about the possibility of using North sea wells as carbon storage sites? Does he think that that would provide a real opportunity to extend the life of the North sea by—according to some estimates—an additional 15 per cent. of the available oil? Is that a real prospect or should we discount it?

Malcolm Wicks: I intended to mention the importance of CCS a little later, but the hon. Gentleman is right to suggest that the injection of CO_2 will help with enhanced oil recovery. Elsewhere in the world, CO_2 is being used for that purpose. Given current technologies, a lot of oil and gas is left behind during extraction from the North sea, and recently the industry and the Government have been discussing that matter. Solving it would not be without costs or difficulties, but it is an important item on the agenda.

To get back to my story, the North sea is in decline, as is nuclear, with perhaps only 15 per cent. of our electricity coming from nuclear—some of that electricity is above the Liberal Democrat Benches, so I give hon. Members a health warning about that one. At its height, some 30 per cent. of our electricity came from nuclear. The reactors are of varying ages, but they are old and need to be decommissioned, and then we will see the development of new nuclear reactors.

We know the story of coal, too. I do not want to get too much into the politics of it, but coal was devastated by a previous regime, albeit not for industrial purposes or because the then Government were early converts to climate change—although the new Tories might rewrite the history on that—but largely for political reasons.

There is huge potential in renewables, which I think we all support, although we need to support it in actuality, through onshore wind, and not just in rhetoric. However, as a percentage of all energy, renewables account for perhaps only 2 per cent. or so. The 15 per cent. target is the right target, but hitting it will be tremendously challenging.

In the meanwhile, in the period before we can build up new nuclear—that will be largely after 2020, with the first one perhaps in 2017—and in which we can bite down on energy demand and develop our renewables, in my judgment we will see significant imports of energy. Let me take the example of gas. I know that some of the estimates about the future—they are only estimates—are contentious. I know, too, that there are different official estimates. There is a perfectly reasonable debate to be had, but the trend is essentially as follows.

Only a few years ago we had a sufficiency of gas and we were exporting. Very recently we were self-sufficient, but we are now importing 20 to 25 per cent. of our gas. Some estimates—they are perfectly sensible estimates—suggest that by 2020 some 70 per cent. of our gas could be imported. Indeed, I have even seen the figure of 80 per cent. The more successful we are in reducing demand and bringing forward renewables, the more likely it is that 70 or 80 per cent. might seem an exaggeration. However, for contingency planning it is sensible to look at that issue.

Where will the imports come from? I have mentioned the Langeled pipeline from Norway, and there is more potential to build up our relationship with Norway, as I argue in my energy security report. That is important, because the gas from Norway is good democratic, human-rights gas, and that cannot always be said of other gas!

What is the agenda for action? Much of it has been touched on. Any sensible agenda, whether for energy security or climate change, starts with reducing energy demand and increasing energy efficiency. I subscribe to that position, but we need to recognise the sophistication and the broad nature of the approach that we need to adopt. Housing is of course important, and we can argue about the pace of change there. The development of zero-carbon housing by 2016 is important. We will see a great revolution in design and materials as we move towards higher standards of thermal efficiency in new build. How we integrate renewables into that will be crucial.

Obviously, there is also transport, appliances and other things that we are familiar with. However, there are also things that I do not feel so tutored about, in the range of various industrial and business processes, such as pumps, valves and advanced control engineering, which I was hearing about at a conference the other day. All those things are important and can be developed by industry to reduce demand. Indeed, there is so much that can be said about that.

Smart meters are important, but only if we link them to a public education programme, so that when people get their smart meters, they are told about a wider package of things that they can adopt, so that the whole community down that road, in that village or in that town gets behind the project.

Energy efficiency is item number one. The second item is cleaning up fossil fuels. Some of the environmental groups might not like it, but we will be using fossil fuels

for the foreseeable future. Indeed, the environmental groups will not stop the Chinese using them in future. We have to become one of the world leaders in clean coal technology and carbon capture and storage. I am very pleased by the Government's position on this. As an Energy Minister, I was frustrated by the pace of change, but no one has ever done this around a coal power station. We are moving pretty rapidly in the right direction, but let us become a world leader and help China and others to develop this technology.

It is difficult to overstress the importance of CCS. It is not just another thing. Unless we get to grips with the challenge of CCS globally, all will be lost in terms of global warming, given that most of the energy that we use in the years to come is going to be obtained by burning fossil fuels. There will be huge technological challenges, including where to store, the fact that storage is very expensive, and the importance of the carbon price. There are all sorts of issues around financing, and the emissions trading scheme is very important.

My next heading is gas. I make various recommendations about gas in the United Kingdom in my report, to which I know that the Government will respond before long. I am not trying to get the Minister to respond to it this evening. I worry about a new dash for gas. It is easier to build gas power stations than nuclear power stations, and it is probably easier to get planning permission for them than for large-scale wind farms. There is a danger of becoming over-dependent on gas, with all the implications that that has for imports.

I raise three points about gas for the Government in my report. One is that Britain, compared with many other European countries, does not have in place significant numbers of long-term contracts for gas. We tend to contract with the suppliers and countries involved on a far shorter-term basis, and we often buy gas on the spot market. I can see advantages in that, but I can also see the disadvantages for our security of supply, and the Government need to address that.

The second issue relates to the supply obligation. We place on our supply companies a supply obligation: the Centricas, EDFs and Scottish and Southerns of this world have to supply gas to us. What does this mean in practice? When I produced my report—with the help of a very able team from the Department of Energy and Climate Change—I found the gas supply obligation to be a bit like jelly: I could not get to grips with it.

When I questioned key institutions on this matter, they recognised that all was not well. Let me spell it out. There is no way in the present regulatory system for National Grid or the regulator to establish whether there is likely to be sufficient availability of gas, in aggregate, in any coming period. That is not to say that the gas will not be there; it will be bought on the spot market or short term, but what would happen if we were to have another situation like Russia versus Ukraine? We had such a situation once, or possibly twice, during my tenure in office. Combined with a very cold winter in Europe, that created real difficulties for European energy supply and for us in the UK. I would therefore like to see greater clarity in the gas supply obligation, and I make that recommendation in my report.

The third subject related to this is gas storage. It is quite easy for us to say that we need greater gas storage capacity. It is like motherhood and apple pie: we all want more gas storage. To defend where we are from an historical perspective, I would say that our gas storage area was the North sea. We had plentiful supplies and we were self-sufficient, but that is now in decline. We therefore now need to develop gas storage, and that is not quite so easy as some people make it sound. Are we talking about commercial gas storage, or about strategic gas storage? If we are talking purely about the former, the gas will be sold to the highest bidder.

The reality at the moment is that our main store of gas—the Rough storage, which is administered by Centrica—is a store for gas that is owned by the different supply companies in Britain, including the French and German companies. Last winter, things were all right-ish, but if I had still been Minister, I would have been looking at the situation day by day, as I did in earlier winters. I am almost sure I am right in saying that, at that time, German supply companies were taking gas out of Rough storage and returning it to continental Europe. They had contracts to supply gas there, so we cannot blame them, and as I understand it there is nothing to stop that gas—we did not stop it—going to continental Europe at quite a difficult time. I put it to the House that this is quite a difficult issue.

I believe either that we need strategic gas storage—gas that will be in the control of a democratic Government, subject to parliamentary accountability—or, if the gas storage is commercial, that we will need to explore the fact that the British Government under European law have a right to say that in extremis or in emergencies, some of that gas has to stay here in the UK. If it can simply go hither and thither in a crisis, it is not the kind of gas storage that many are calling for.

Bob Spink (Castle Point) (Ind): Will the right hon. Gentleman give way?

Malcolm Wicks: I have only one more point before coming to my conclusion, and others want to contribute, but I will give way to the hon. Gentleman.

Bob Spink: Is the right hon. Gentleman aware that some of the imported gas will come in the form of liquefied petroleum gas and liquefied natural gas, and that some of it comes to Canvey island where it is stored very close to residential houses? He may be aware that there was a leak there, when 140 or so tonnes of LNG escaped and partly became an unconfined vapour cloud. The Health and Safety Executive is currently pursuing a possible criminal investigation following this incident, which put my residents at great risk. Does he accept that the safety of residents and communities must always be put first by the Government?

Malcolm Wicks: Of course. We recently had the report on Buncefield, so it is not just a problem of LNG. The point applies to virtually every kind of energy source that we are talking about. I agree that LNG is important. The Milford Haven terminals have been opened and we will get quite a substantial supply of LNG from Qatar in the future. I do not think that the hon. Gentleman is arguing that we should say no to it; the issue is about being properly strict—I believe that we are being properly strict—about the health and safety considerations.

Mr. Swire: I am grateful to the right hon. Gentleman for giving way a second time. To answer his question about the reserve storage of gas, it may well be motherhood

[Mr. Swire]

and apple pie, but given the security issues involved, would it not be prudent and good sense to enshrine in law a statutory requirement to have a certain number of days of reserve, as we have learned happens in France and Germany? This is not impossible; it is something that could be done very simply, and we should remember that we went down to about four days' worth of gas last year.

Malcolm Wicks: The short answer is yes. We need to have that requirement for commercial storage—my guess is that the Government would want to explore the legalities around that, given the single market and so forth—which would be perfectly acceptable in my judgment; but if that is not possible for legal or other reasons, we need strategic gas storage, which is very expensive—much more expensive, I am advised, than strategic oil storage. I welcome the hon. Gentleman's strong interest in this subject. Some may think it a grey area of debate, but given our current dependency on gas, it is a very important one. In my judgment, import dependency is going to grow in significance.

I want to mention two other areas. I do not need to say much about renewables, as we have already discussed the importance and huge potential of renewable energy from the sun—even in Britain now—the seas, the wind and from biomass. We also know about the importance of hydro. It may not be as important here as in Sweden or Norway, but we are able to explore it on a smaller scale in imaginative ways. I, too, am excited about the potential of marine, wave and tidal energy, but I need to caution that this is very new technology. Yes, British companies are very good at it, and we could truly become a world leader as a result of our technological, engineering and entrepreneurial flair and the natural habitat in which we live as an island people. As I say, however, this is new technology and we should not exaggerate its contribution over the next 10 years. The 15 per cent. target for renewables is absolutely crucial. When I say that it is demanding, this is not a code for saying that we will not do it, but I put it to the House that this is a tough one and we will need to stretch every sinew to move there.

Finally—I am sorry for having spoken so long, but there were interventions; I will blame them, anyway!—I come on to nuclear, which I know is controversial. I respect the position of the Liberal Democrats—they are wrong, but I respect their position. I believe public opinion has moved more in the direction of nuclear. I was privileged to lead the review on energy policy—Tony Blair asked me to do it some years ago now—which said yes, the Government would support and, where possible, facilitate the development of new nuclear. I believe it is important for climate reasons—some environmentalists still cannot quite make up their minds whether they hate nuclear more than they hate global warming, although some are changing their position, which I welcome.

In my judgment, as well as being crucial for climate change reasons, nuclear is crucial—I am almost saying equally crucial, but I am not sure that that is scientifically valid—in terms of energy security. In future, faced with import dependency, we need to do two things. We need to be as smart as possible in our foreign policy on import dependency so that we are not over-dependent on any one country, any one company, any one region—or any one fuel, which is why I support clean coal. The other side of the coin is that we need to build up our own indigenous sources of energy—energy that we can produce for ourselves, hence my commitment to both nuclear and renewables. I go rather further in my report than perhaps this Government and this Parliament are prepared to go by saying that if by around 2030 we could have 35 to 40 per cent. of our electricity coming from nuclear, that would be a sensible place for Britain to be.

Mrs. Maria Miller (Basingstoke) (Con): The right hon. Gentleman talked about public opinion having moved on the nuclear debate, but does he believe that we can learn lessons from countries such as France and Canada, which have far higher levels of public acceptance for nuclear power? Does he think that there is still further work to be done there, as this could be one of the continuing sticking-points?

Malcolm Wicks: There are lessons to be learned: we mentioned health and safety in respect of LNG, so it needs to be health and safety times 100 for nuclear. The safe disposal of nuclear waste is another huge issue—also a huge industrial and jobs opportunity—that needs to be tackled. We need speed, but we need to take the public through the issues with great care. As I say, I am convinced that in terms of national security, the answer on nuclear has to be yes.

The Secretary of State made an important speech focusing mainly on climate change. I understand the reasons for that at this time, given the science and given Copenhagen, but my report, at the request of the Prime Minister, is also telling the Government that energy security as an aspect of national security needs to be taken very seriously. Albeit in due course rather than tonight, I look forward to the Government's response to my report.

5.58 pm

Mrs. Jacqui Lait (Beckenham) (Con): I hope that it will not embarrass my next-door constituency neighbour, the right hon. Member for Croydon, North (Malcolm Wicks), if I say that that was one of the most interesting speeches I have ever heard on the security of energy supply, which is a crucial issue that needs to be resolved and should have been addressed much earlier than when the Government asked the right hon. Gentleman to prepare his report.

I recall during my young adulthood in Scotland how we had to deal with the discovery of North sea oil and gas, yet now as I prepare to retire we are looking at how to reduce quantities of oil and gas. It is an issue of which I have been conscious for a long time. Given that I live close to Dungeness power station, I am also conscious of the ageing of our nuclear power stations—I nearly said our nuclear fleet. It is a great sadness to me and to many on the Romney marsh that the Government have so far ruled out the building of a third power station at Dungeness on the grounds of what Natural England said rather than on what I would have thought was the more logical ground of the potential for movement of the shingle. I believe that, engineering-wise, that problem could be solved. It was fascinating to listen to the right hon. Member for Croydon, North.

I do not intend to concentrate too much on the Bill that the Government propose to present in the few weeks left to them. Nor do I intend to spend too much time discussing Copenhagen, because we have already discussed it at great length. I will say, however, that whether or not one is a supporter of the science of climate change it is surely common sense for consumers to reduce the amount that they spend on energy, and for that practical reason I am sad that so far there has been little effective action to develop new technologies in the new industries.

It is true that we have wind farms. We have a wind farm on the Romney Marsh, although I am afraid that it is not taken terribly seriously because for most of the time its turbines are not turning. There is endless anecdotal evidence that wind farms have not been built quite correctly. There is also a great deal of evidence that carbon capture has been delayed by the Government's dithering. In Kingsnorth, E.ON was prepared to build a new coal-fired power station as part of the original competition for carbon capture and storage, but—fundamentally because of Government dither and delay—it decided that the game was not worth the candle. As we all know, environmental protesters collected at the power station and had a rather unpleasant confrontation with, primarily, the police. If the Government had not dithered over the scheme and the competition, we might have moved much further down the route of developing our own carbon capture technology.

Along with the hon. Member for Calder Valley (Chris McCafferty), who is present and whose constituency includes the lovely and literary Hebden Bridge area, I was on the Commonwealth Parliamentary Association's delegation to Australia this year. People there told us proudly that they had created an international centre for carbon capture technology. The bulk of Australia's energy comes from brown coal. The Australians are committed to reducing their emissions under Copenhagen, and they realise that if they are to do that it is essential for them to develop carbon capture. I wonder about the degree to which we in the United Kingdom are trying to reinvent the wheel with our carbon capture schemes. I wonder to what extent there is an international exchange of information about the technologies being developed, about what works and what does not work, and about how we can move from demonstration to production. It would be such a waste of entrepreneurial abilities if we developed in parallel rather than together.

I find it fascinating that, apart from passing references, there has been no mention of how solar energy could help to meet our energy requirements. There are Government grants to help people to install solar panels, but they are difficult to obtain. Four or five years ago China set out to develop production systems for solar panels so that they could reduce production costs to a level enabling them to capture the world market.

Another thing that I learnt in Australia was that there was considerable resentment because the Chinese were exporting cheap solar panels to Australia which were challenging those being produced indigenously, but we have to live with that. It is not dumping; it is driving the market so that more and more people can use solar panels. I do not understand why we are not doing more in this country to encourage people to use them. I do not think that the Government's proposed Bill will address that question in any way. In household terms, I think that microgeneration is the easiest and quickest way for every one of us, in our domestic lives, to contribute to the reduction of our carbon footprint.

Another issue that seems to have been omitted from the debate so far, and does not appear to have been included in the Bill—although I hope that I can encourage the Government to include it—is the production of energy from waste. Local authorities currently spend huge amounts on trying to avoid sending waste to landfill, and we know of the difficulties that that is causing our local communities. There will be one collection in one week and another in a different week; people wonder whether there is a chip in the bin to establish how much waste they have put out, and whether they are allowed to put out six bottles a week instead of five. All those rather claustrophobia-inducing management demands drive many householders demented. But if—or rather when; there is no "if"—we develop the new generation of incineration with scrubbed emissions, we can feed electricity into the local community and into the grid, and when we develop anaerobic digestion we can do exactly the same. Why are we not creating an economy that favours that form of waste disposal? It would mean that waste would not go to landfill but could produce useful heat and energy—and we could stop irritating our fellow residents at the same time.

There has been a fair amount of comment about nuclear power. I believe—and the right hon. Member for Croydon, North seemed to agree—that it is the best way in which to generate relatively low-carbon-emission electricity and energy. When the Secretary of State published the draft national policy statement on energy recently, he told me that the public consultation on it would continue until February. He expects it to come to the House in March for consideration by the Select Committees. It does not take a great brain to work out that the consultation will not end before the general election. There is an immediate and built-in delay in the progress of national policy statements.

Furthermore, as my hon. Friend the Member for Tunbridge Wells (Greg Clark) pointed out, the system provided by the Planning Act 2008 is completely open to judicial review. According to the 13 November issue of "Planning", the Town and Country Planning Association has said that

"the NPSs make the 'very profound mistake' of not including carbon assessment for energy projects."

If it is not included in the NPS, there will be an application for a judicial review and we shall see more of the delays resulting from the debate about Sizewell. We shall ensure that there are delays in the building of nuclear power stations. We cannot assume, merely because we have passed the Planning Act, that we will magically secure the nuclear power stations that we need unless we ensure that national policy statements are voted on democratically in the House. That would make it possible for Secretaries of State who no longer wish to make such decisions to make them, and to make them much more quickly than the Infrastructure Planning Commission need do. That is the basis for getting rid of the Infrastructure Planning Commission. We must get democratic legitimacy within the planning system if we are to get the infrastructure built. If we do not, we are unlikely to be able to move forward.

The right hon. Member for Croydon, North talked about the target for zero-carbon houses by 2016. I do not whether the right hon. Gentleman noticed—*Hansard*

[Mrs. Jacqui Lait]

will tell us whether I am correct—but I thought that the Secretary of State said "near zero-carbon houses". I notice that there is a written statement from the Department for Communities and Local Government on that subject—I have not seen it yet. Whether the Government are resiling from that commitment—I would not blame them, as it will be next to impossible to achieve it anyway—and are breaking the news gently, or whether it was a slip of the tongue, I do not know. If we are getting a more realistic target for reducing emissions from domestic houses and are moving away from the lifestyle constraints implied by zero-carbon houses, I am glad to see common sense dawn. With a bit of luck we will be able to get more buy-in for reducing carbon emissions from houses rather than banning them altogether.

I feel desperately sorry for DEFRA, because nobody has mentioned that Department so far. It is lovely to see the Secretary of State here; he has sat patiently wondering if anyone will mention anything to do with the countryside. I join completely all the messages of sympathy and support sent to everybody who has been affected by the flooding in Cumbria. It is a ghastly thing to happen to so many people in an area where it is difficult to get the help that is needed. I feel very sad and send them all best wishes. There is a reference in the Queen's Speech to a flooding Bill. Its proposals could be implemented by changing who is responsible for what and making it clear which local authority has what powers. The only other thing in the Queen's Speech that might affect the rural community is the broadband Bill, which could bring some economic strength to deprived rural areas. For farmers, fruit farmers, fishermen or environmentalists, however, there is nothing that will in any way, shape or form help them to live a more productive and helpful life.

I want to talk briefly about the other Bills proposed in the Queen's Speech. I could not believe that there is to be legislation to halve the deficit. Legislation will not halve the deficit; action will. There is a Bill to ensure good schooling. Legislation will not ensure good schooling; good teachers, good head teachers and good parents will. There is yet another promise to halve child poverty. Legislation does not halve child poverty; the economy and social structure will ensure that children no longer live in poverty.

For 12 years we have had a Government who believe that legislation is the answer. For 12 years we have been telling them that legislation is the problem. It is not delivering because the Government believe so often that if they pass an Act, nothing more needs to be done. We must create the circumstances in which we get the outcomes that we want, That is the key to decent legislation. Sadly, this Queen's Speech is probably more an electoral statement than anything to do with achieving the laudable objectives set out in it.

There are things that I would have liked to see in the Queen's Speech. The scandal of the exploitation of public sector leaseholders needs to be addressed by legislation. The emerging scandal of leaseholders who live in retirement homes needs to be addressed by legislation. Why is there no legislation to get rid of the stigma of the housing estate? People say that they live on a certain housing estate and are immediately pigeonholed and almost stigmatised with failure. Such legislation would help us to move this country towards becoming a positive, forward-looking community.

The saddest thing of all—there is nothing in the Queen's Speech to address it—is the statement by Lord Strathclyde that the House of Lords will ensure that most of the legislation does not get through. The House of Lords is a revising Chamber. It is this Chamber that should ensure whether or not legislation gets through. For the House of Lords to be able to claim that it has the ability to stop legislation shows how this House of Commons has been demeaned by the Government, who have taken from it the ability to look properly and thoroughly at legislation and to decide whether or not that legislation is of quality. That is not the job of the House of Lords; it is the job of the Commons. If there is one thing that I sincerely hope my party addresses after the election, it is that the House of Commons regains its primacy and democratic legitimacy.

6.17 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I thought for a moment that I was at least going to be able to agree with the last point made by the hon. Member for Beckenham (Mrs. Lait); she would get agreement from all of us that the primacy of this House is crucial and that statements made about opposing the legislative programme set out in the Queen's Speech are out of order. However, she then went on to say something with which I could not agree—that there should be a change of Government.

I invite the hon. Lady to look at what legislation can do. Of course legislation does not do everything but it can provide a framework in which active government can be delivered alongside the third sector and the community sector. I invite her to look at my Adjournment debate last week on the work of the Department for Work and Pensions in my constituency. We have a much deeper recession this time than we have had at any time for 50 years. My constituency has the legacy from my Tory predecessor of the poorest ward in England. But 1,500 more people are in employment now than in 1997—which was not at the very depths of a recession—when I became the Member of Parliament. I also disagree with the hon. Lady about the legislation that has been passed over the past 12 years and about that proposed in the Queen's Speech.

Bob Spink: Did the hon. Lady share my slight disappointment that the hon. Member for Beckenham (Mrs. Lait)—unintentionally, I am sure—was rather dismissive about the Flood and Water Management Bill, which I hope will get a clear run through Parliament. It is an extremely good Bill that will give a much more thorough and integrated management of coastal risk. I know that the hon. Member for Plymouth, Sutton (Linda Gilroy) is very interested in coastal flood risk management because, like me, she has a coastal constituency.

Linda Gilroy: Indeed, and I shall come to that. I shall also wish to touch on the Bill in my capacity as chair of the all-party group on water. I will explain why the Bill is so important, although that is clear from the events we have witnessed this week. I cannot understand how anybody could possibly say it is not prescient for such a measure to be in the Queen's Speech.

I wish to cover five issues. The first of them is about a specific aspect of climate change that is little spoken about, perhaps because it emerged on the agenda only at the 2005 conference at the Met Office in Exeter while we were holding the chairmanship of the G8: ocean acidification, or the other CO_2 problem as it sometimes referred to. Secondly, I will welcome some of the measures in the Energy Bill. Thirdly, I will anticipate the long-awaited final report of the Walker review on water metering and charging. Fourthly, and alongside that, I will welcome measures in the Flood and Water Management Bill. Fifthly, I shall raise one small, but very important, issue that brings both water and energy together in a way that could lead to a reduction in water bills, fuel bills and the carbon footprint.

First, let me turn to ocean acidification—the other CO_2 problem. The Secretary of State for Energy and Climate Change recently visited Plymouth. When we were walking from the railway station to the university—yes, we walked there—to attend a question-and-answer session, I said to him that I must represent one of the most environmentally literate constituencies in the country, as there are 450 marine scientists working in it and some 1,400 to 1,500 environmental students at the university. Some of these people serve on international forums and work with scientists across the globe, including, particularly, Dr. Carol Turley of the Plymouth Marine Laboratory, who has served on the United Nations Intergovernmental Panel on Climate Change and who plays a leading role in the ocean acidification reference user group.

Even before the Secretary of State arrived, I was receiving e-mails from disappointed people who could not attend the question-and-answer session asking me to make sure the Secretary of State was fully seized of the importance to climate change of the other CO_2 problem of ocean acidification. He went away with a heavy load of papers. I promised to let him have a CD of an animation that the Ridgeway school at Plympton made, and which has been shown at Copenhagen international conferences. It outlines this problem, graphically setting out the consequences and the way in which the sea has acted as a buffer for 25 per cent. of the CO_2 produced since the industrial revolution. A key consequence is that the seas have become more acidic as carbon dioxide absorbed in the ocean becomes carbonic acid, and the sea water acidity has increased by 30 per cent. over that period. Without the steps proposed to limit our carbon emissions, this will accelerate and by 2060 sea water acidity could have increased by 120 per cent., an increase greater than any in the past 21 million years.

This matters because at the bottom of the food chain in the oceans are many tiny creatures: zoo plankton, which have tiny shells and skeletons; shellfish, which are slightly larger; and molluscs, which play a very important role in daily diets across the world, and particularly of those of some poorer communities. The very existence of these creatures is threatened, as ocean acidification dissolves their small shells and skeletons.

The air we breathe depends on a healthy ocean for the production of oxygen, and the productive layers of seas stimulate clouds that help to shade the planet. These are just a couple of a cocktail of essential processes in the ocean that will be impacted upon by carbon emissions if the climate change talks do not come to a successful conclusion. If unchecked, carbon emissions could progressively affect whole ecosystems and trigger a chain reaction through the food chain. Apparently, there remains a degree of uncertainty in some people's minds about the impacts of climate change. The chemical changes in the ocean are much more certain and predictable, however. Although they are relatively minor at present, the impact of unchecked carbon emissions will be incremental, and the acidification process adds considerable weight to the arguments for immediate and significant cuts in CO_2.

If my city is one of the most climate-change and carbon-emission literate, I believe the south-west region and the United Kingdom will be among the most literate at Copenhagen. We have big responsibilities to lead, and to persuade not only that we have a problem, but that it must be tackled as a matter of urgency. It is characteristic of what happens in any period of change that there are leaders, early and late followers and laggards. If there are any late followers and laggards during the Copenhagen discussions, I hope our hon. and right hon. Friends who will be representing us there will tell them of the other CO_2 problem, which is about not the sometimes too benign sounding "global warming", but the acidification of the oceans, which cover 70 per cent. of the globe. I hope they will tell them about the 80 years of long-term plankton data recording science at the second oldest marine laboratory in the world on Plymouth Hoe, which is the basis of the work of the current scientists who are leading globally in their field and of some of the eight Nobel scientists who have been based at that laboratory.

Of course, we have to walk the talk. The Energy Bill does further work in that regard in implementing elements of the UK low-carbon transition plan in important ways, and by changing the remit of Ofgem in a way that is essential to the implementation of that plan by making sure that not only competition but climate change and the transition plan feature in the important decisions Ofgem makes in regulating the market. There are important measures at the other end of the spectrum as well, such as putting in place statutory protection for vulnerable customers. I would like that to extend—I am not sure it does this in its current form—to making sure some of the poorest customers do not have to pay higher tariffs.

A number of Members from both sides of the House attended a National Housing Federation reception yesterday, at which we were reminded of the continuing prepayment rip-off of the difference in respect of dual tariff from many of the big providers. The difference between prepayment and the average direct debit cost is £106 for British Gas, £77 for EDF, £105 for npower, £99 for E.ON UK, £108 for Scottish Power and £102 for Scottish and Southern Energy. These still amount to very significant sums of money for some of the poorest households in the country, and I wish the Bill had touched on that. No doubt a measure to deal with that problem is one that a Member who is fortunate enough to be drawn in the private Member's Bill ballot might wish to try to take forward, if that is not achieved through this particular Bill.

At that reception, the Under-Secretary of State for Energy and Climate Change, my hon. Friend the Member for Stafford (Mr. Kidney), heard about how more is being done in his constituency to encourage low-income families to switch to the best tariff. I was particularly

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struck by the work the Stafford and Rural Homes housing association is doing to ensure that any incoming tenant to a new home is encouraged to look at the best tariff for them. Among lower income households, not nearly enough use is made of the ability to switch from one provider to another who will often offer them significantly better tariffs.

I took the opportunity to ask my hon. Friend the Minister to look at one way in which fuel poverty, water poverty and water use generally overlap. I know that our colleague, my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas), was well seized of the links when he was water Minister. I believe that his successor, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), is also taking these issues on board. Our all-party group report "The Future of the UK Water Sector", which was published last year, points out that

"around 40 per cent. of energy used in households is to heat water".

There is, thus, an enormous potential for saving both energy and water. Pipe runs between the point of heating and the point of use are often long, which means that water is drawn off and hot water left in the pipes. There is a big job to be done both on retrofitting and on ensuring that the new building standards deal with that effectively. I am pleased to see that the potential for such savings is acknowledged in the interim report of the Walker review on metering and charging. I hope that when its final report is published—I hope that will be before Christmas—it will hold out real help for the too long hard-pressed water users on low incomes all over the country.

Martin Horwood (Cheltenham) (LD): Does the hon. Lady regret that the Flood and Water Management Bill, which has just been published, does not incorporate anything from the Walker review's interim findings or anything that addresses the issue of social tariffs and tariffs for the least well-off water customers?

Linda Gilroy: In common with a number of Liberal Democrats, I have been involved in several Adjournment debates over the many years leading up to the Walker review, and I have pressed the relevant Minister on that issue. We should be able to examine any pressing matters that arise from the review to see whether they can be incorporated. However, I must acknowledge that some of the measures in the Bill are of immediate and pressing importance, especially in the context of what has happened this week. These things were recognised in the all-party group's report.

As the hon. Gentleman can well imagine, I shall be pressing Ministers to find ways to proceed where legislation may be necessary, but legislation will not be needed to implement much of what was in the interim report of Anna Walker's review—confusingly, two Walker reviews are taking place at the moment. Our Department for Environment, Food and Rural Affairs team has a big strategic role to play in supporting the climate change discussions that the Department of Energy and Climate Change will lead on, and I am pleased that, as part of that, we have a water Bill that deals with some important matters. I shall return to those in just a moment. I hope that the other important work, which has been running in parallel, can also be developed where appropriate.

The interim report was promising, but I know that there has been substantial engagement with the consultation on it. Much water has flowed under the bridge, and I hope that proposals that are even more radical than some of the very good ones that were in Anna Walker's interim report may result. The Flood and Water Management Bill addresses some important lessons arising from the problems encountered during previous floods that were similar to those causing such devastation in parts of the country, in particular in Cumbria.

Prevention is better than cure, and as chair of the all-party group, I welcome the work done in the run-up to producing the Bill. The 2007 floods caused major disruption, particularly in Hull, Doncaster, Leeds and the Severn valley, caused £3 billion of damage, affected 55,000 properties and resulted in the loss of 13 lives. Sir Michael Pitt's report in the wake of those floods made it clear that we needed to change the legislation governing how we manage floods and our water systems. The Bill contains important measures to implement some of what he and the Cave report said needed to happen.

The Bill is also important to the insurance industry, because without it, the industry will be less and less willing to insure—we all know that that is already a problem—and there will be increasing reliance on, and costs for, the Government. Many more people are finding that they cannot get insurance and, thus, the Bill is important. It will also ensure that all involved in the water, flooding and coastal erosion systems have clear roles and responsibilities. I do not imagine that I am the only MP who has faced small flooding issues in my constituency involving many stakeholders. One such situation has been going on for many years in Laira avenue, in my constituency, and I frequently have to bring together the council, Network Rail, a housing developer and the water company, because nobody plays that role well at the moment. From this Bill onwards, local authorities will have a strategic role to play, which should make dealing with such circumstances much more straightforward.

Martin Horwood: Does the hon. Lady also regret that nothing in the Bill addresses the crucial problem that people's insurance premiums can go sky high and their excess charges can go stratospherically high even though flood defence work has been done in their locality or even, in some cases, on their own property? Does not something need to be done of the order that was done in respect of serious medical conditions to legislate, level the playing field and return to the principle of pooled risk? I hope that hon. Members pardon the pun.

Linda Gilroy: I recognise the issue that the hon. Gentleman is talking about. It might well sit more easily with some of the issues that will emerge from the Walker review report, which will undoubtedly need some form of legislation. The issue that he raises will be debated at various points of our consideration of the Bill, and it is important that something is introduced at an early stage to deal with it.

Importantly, the Bill will ensure the delivery of large and unusual infrastructure projects. I often think that the water Minister has the most difficult job, because

although many Ministers have difficult jobs, standing up to one's knees or neck in water one day and then a month or two later being in the same part of the country trying to explain away drought is a very difficult ask. The work that has gone into preparing what is in this Bill to deal with some of the risks associated with major projects that can help to address some of that is important.

The Bill also changes the powers to amend the non-essential uses of water that can be subject to hosepipe bans. As increasing pressure comes on parts of the country in times of drought, that, too, is important. I am also pleased that the Bill will, crucially, give water companies the power to introduce concessionary schemes for surface water drainage charges to amateur sports clubs, scout groups, Churches and other community groups, thus putting an end to the so-called rain tax. I understand the principle behind why it is so important to try to make transparent the costs involved in dealing with water run-off from roofs and concrete partly in order to avoid some of these floods that cause our constituents such distress.

This Queen's Speech sets out, at a critical juncture, the strategic and the tactical approach on a range of important issues, most particularly dealing with climate change. This country played an important role, through the leadership of my right hon. Friend the Member for Hull, East—

Mr. Prescott: Yes, not the Kingstown.

Linda Gilroy: Not the Kingstown. I am glad that it is our Front-Bench team who are charged with, once again, playing a key role in these so very important discussions. I am sure that whatever bones of contention we may have, we all wish them well in that work and in the work on the Bills set out in the Queen's Speech. They complement that very important work.

6.40 pm

Mr. Laurence Robertson (Tewkesbury) (Con): My hon. Friend the Member for Beckenham (Mrs. Lait), who spoke so excellently, said that she sympathised with the Secretary of State for Environment, Food and Rural Affairs because nobody had touched on the issues that are his responsibility, but when he sees me in the Chamber, he is well aware that I will talk about flooding, which is very much his issue.

The debate is wide ranging. One can talk about energy, as many hon. Members have, and about climate change, farming and many other issues. I would have an interest in speaking on all those things, but because of the shortness of time and the number of other hon. Members who want to speak, I shall contain my remarks to flooding.

I represent Tewkesbury, which I am proud to do, and obviously two and half years ago we had the most horrendous floods, as did other parts of the country, and because of that, and because the problem is obviously very difficult, I deeply sympathise with the people of Cumbria. I spoke to the hon. Member for Workington (Tony Cunningham) for just a few minutes yesterday and he is obviously working extremely hard. He sounded—I say this in the nicest possible way—absolutely exhausted by his efforts. However, he is unstinting and is carrying on doing the work that he needs to do. I pay tribute to him and to all the other people who are working so hard. I also send my deepest sympathies to the friends and families of those who have lost their lives. We lost three people in Tewkesbury because of the floods and it has a devastating effect.

I say this respectfully, but anybody who has not been involved in any way or who has not been to visit people who have been flooded can fully understand the devastation that it causes. In Tewkesbury, people were living in caravans for more than a year because of the floods. That was remarkable in itself, but what was in some ways even more remarkable was the spirit and resilience of those people. Everybody whom I went to see just before Christmas of that year said, "Oh, don't worry about us. We're okay. We're not as badly off as some people." They were living in caravans—young people, old people, children and people who were seriously ill—and the flooding had a devastating effect, but their spirit and resilience were not broken. I am sure that that will be the case in Cumbria.

Let me speak briefly about flooding and flood prevention. I agree with my hon. Friend that legislation often does not put things right. It is important to recognise that it is not the end but the beginning of the process. I think that that was the point that she was striving to make when she spoke so excellently a few minutes ago. That said, I want the Government to introduce the Flood and Water Management Bill early in this Session. It has been trailed for a long time and I hope that it is introduced fairly quickly, because of course a general election is coming up in not too many months. Even if we run to the latest time, that does not give us an awful lot of time to carry out the legislative programme that the Government want to introduce. I hope that the Bill comes forward quickly. One slightly good thing to come out of the tragic events in Cumbria might be that the Bill will be given parliamentary time very soon.

It is also important that the Bill is given sufficient time to be considered. Far too often, we rush legislation through when we really do not need to. An awful lot of time is wasted in this House and we should give more time to considering the legislation in detail, particularly in Committee and on Report.

Linda Gilroy: I simply want to agree with the hon. Gentleman that we need to have more time, particularly on that Bill. It would also be good to have an early Second Reading debate in the light of the circumstances that prevail this week.

Mr. Robertson: I am grateful to the hon. Lady for that intervention. To be honest, introducing the Bill in recognition of what is taking place in Cumbria is the least that we can do for the people who are suffering there.

Another reason I want to introduce the Bill early is that I fear that it is somewhat lacking. I am afraid that I am not as enthusiastic about it as the hon. Lady is. It seems very strong on requiring people to produce reports, assessments and all these other buzz words. I am not sure that there is the detailed requirement for action that we need.

One of the actions that we need was briefly mentioned by my hon. Friend. When we had the floods in Tewkesbury and Gloucestershire, one of the great difficulties that we

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had in trying to help people and to get things fixed was determining who was responsible for which waterway. It was very difficult, if not impossible, to determine who was responsible. There were two reasons for that: partly, those involved genuinely did not know; and, once they had accepted responsibility, they had to pay to put it right and they claimed to be short of money. For those two reasons, defining responsibility was very difficult. However, it was crucial and we must address that. I am not sure that the Bill does so fully. I hope that it does, and perhaps if there is sufficient time in Committee we can explore that and the Bill can be strengthened at that stage for that reason.

It is also important to ensure that whoever is responsible for which waterway does not just repair things when something has gone wrong; it is important to maintain the waterways on an ongoing basis each and every year. That simply is not happening. I was not flooded in Tewkesbury, but my house was full of people who were. They lived further up the hill than I do, so they should not have been flooded. However, a drain was broken. The problem did not show up when there was ordinary rainfall, but it did when there was heavy rainfall. The drain had not been maintained and we then went into the process of working out who was responsible for it. The county council denied responsibility, but it was then proved that it was its responsibility and it had to fix it, but it was too late—the family had already been flooded.

We must have maintenance as well as repair work. Of course, repair work is involved in maintenance. Nobody would have a car that they never serviced and expect it to run for ever until it got to the point where it absolutely broke down. The job is far more expensive then than if services are carried out every 15,000 miles or so. We would not do that and we should not do it in this respect, either.

Another issue that I want to mention is one that I have brought up many times, which is building houses in flood-risk areas. Whenever we raise the issue, locally or nationally, we hear the old theories, such as whether it is a flood-risk area or whether it has flooded in the past 100 years. On the one hand, we are told that we are experiencing climate change, and I am not denying that, but if we are experiencing climate change, we cannot use the old figures of once in 100 years, once in 500 years and once in 1,000 years. We cannot have it both ways. We do not know when the rain will fall in the way that it did in 2007 or the way that it did in the past few weeks.

Mr. Binley: Northampton has also suffered floods and we lost two people, so I understand my hon. Friend's comments about that. However, one lesson that we learned is that floodplain maps simply are not good enough and houses are being built on floodplains. Does my hon. Friend agree that the Ministers need to take that seriously into account because the problem is continuing and is not being stopped? We are making the problem worse for the future.

Mr. Robertson: I am grateful to my hon. Friend for that intervention. He is absolutely right: we can all draw maps, and I have seen maps that are manifestly wrong. We have given photos of flooded areas to the people who produced the maps that say that those areas do not flood, and planning permission has been granted on appeal for that very land, but the floods in that area will be even worse in the future. We cannot work from some of the maps that have been drawn.

David Taylor: I was on the Select Committee on Environment, Food and Rural Affairs when it reported on the flooding in Gloucestershire and elsewhere a number of years ago. We visited Tewkesbury and I remember well that, as we drove out of the town in our hired minibus, I saw lots of yellow signs saying, "Come and have a look at the river view development." That was ironic in the light of what happened. Does the hon. Gentleman believe that his local authority and others are too quick to lie down in front of powerful developers and to ignore advice from the Environment Agency and others? Should not greater powers be given? Looking back over the past 100 years, it seems that in some cases flooding occurs not once in 100 years, but once in 10 years. We need urgently to update that figure.

Mr. Robertson: The hon. Gentleman is absolutely right, and I know the estate that he is talking about. It flooded as it was being built, and then an application was put in to build 100 more houses on that very site. The second bit of the building application has not gone through, but the first did.

I am not willing at this stage to lay too much blame at the door of the local authorities. They know what happens. The hon. Member for Bassetlaw (John Mann) is smiling, but I remind him that no party has overall control of the Tewkesbury authority—I think that that is what he is getting at.

Planning policy statement 25 is insufficient. It says that authorities should not build in flood-risk areas unless this or that is the case, but it is far too weak a document to provide the protection that we need.

Mr. Swire: In his recent statement on the flooding in Cumbria, the Secretary of State for Environment, Food and Rural Affairs said—I paraphrase him—that one problem was the concreting-over of Britain, not least of people's front drives and gardens. Does my hon. Friend agree with me, and by extension, presumably, the Secretary of State, that local authorities must be given much stricter guidance about when to allow front gardens to be concreted over, as very often that just exacerbates the problem?

Mr. Robertson: My hon. Friend makes a good point. However, I think—I will have to look it up—that local authorities have been given that power only very recently.

John Mann: I hope that the hon. Gentleman is not going to ruin a cracking speech by letting off local authorities of all parties. Does he agree that they see all those pounds from council tax and think, "Let's build a few more houses and we can get a bit more in our empire. Let 'em build anywhere." That is what all local authorities think, regardless of colour—and even those that are colourless, like his own.

Mr. Robertson: I certainly would not describe Tewkesbury local authority as colourless. It might have no overall control, but it is certainly not colourless. However, the

hon. Gentleman makes a point that, although slightly different from mine, is important. What he describes is a consideration, albeit a very short-term one.

Bob Spink: Does the hon. Gentleman believe that the Government should give very firm instructions to their inspectors to be much more robust about planning policy statement 25? My Castle Point borough council, which happens to be Tory controlled, wants to build several hundred houses on the Canvey Island floodplain, where 58 people died in the 1953 floods. Does he agree that it should be prevented from doing that?

Mr. Robertson: As I said, I think that PPS25 is inadequate because it does not provide the protection that we need. The hon. Gentleman is therefore absolutely right.

Mrs. Maria Miller: Does my hon. Friend share my concern that local authorities' priorities in assessing where houses should go are being distorted by the house building targets set by the Government? They are causing a great many problems when it comes to finding the space on which houses can be sited.

Mr. Robertson: My hon. Friend is absolutely right, and she very conveniently takes me on to the next point, which concerns the pressure placed on local authorities by the regional spatial strategy.

When this Government came to power, they said that they wanted to end the "predict and provide" approach to housing. Like me, many hon. Members will remember that statement. I thought, "There we go. I'm not going to be able to disagree with everything that this Government say." However, they have not only reinforced that approach, but regionalised it. They have reinforced it by making it a requirement to build 3 million extra houses over the next 20 years or so, but how did they know that we would need that many houses in that period? Why has the power to decide how many houses are needed, and where they should go, been handed to the regions? The decisions are almost site-specific, but I do not know who is making them. It is not local councillors, because if it were we could go to them and say, "We disagree with you and we're going to boot you out next time because we don't like what you're doing." We cannot do that with the RSS.

In my constituency, the proposal in the RSS is to build more than 14,000 houses. How on earth can we find space for all those houses when the area concerned is a flood risk? I do not care whether we are just on one side or the other of a line on a map, because that is not what is important. As the hon. Member for North-West Leicestershire (David Taylor) mentioned, the planning process does not take account of the theory of water displacement.

It is not only a matter of whether the new houses flood. When the hon. Gentleman visited Tewkesbury, the new houses flooded as they were being built, but the other problem is that they also displace water and send it somewhere else. The water in Tewkesbury is, as we speak, resting on green fields. It does that quite frequently, as certain parts of the fields in the town flood several times a year. That is not a problem, but concreting over those green fields causes that water to go somewhere else.

I was never big on science at school, but the theory is pretty obvious—the water is going to go somewhere else. It is profoundly wrong, and dangerous, for the RSS to propose that 14,000 houses be built in my area. The people who put the strategy together do not live there and obviously have not studied it, because they do not know what they are talking about.

It is not just in my area that there have been objections to the RSS. The Secretary of State will know that in the south-west region there have been 35,000 representations about that document, for very many different reasons. The document is fairly technical, and is not necessarily something that people wake up with in the morning. People do not normally get involved in responding to the RSS, but 35,000 have.

David Taylor: Is it not being disingenuous to the point of dishonesty for the hon. Gentleman's party to suggest that abandoning the RSS will somehow lead to a nirvana in which people will decide how many properties are needed and where they should be built? He suggests that there would never be a problem again if that were to happen, but that was never the case in all the years of county structure plans that lie behind us. At some point, and if necessary, Governments will always impose their will on counties preparing structure plans to ensure that the number of houses needed are built in particular locations. To suggest that those days are going to return and that all will be well is barmy. The hon. Gentleman has not said that, but his party has.

Mr. Robertson: I am not sure that my party has said that. As I understand the policy, it is to scrap the regional assemblies and the RSS process. I agree with the hon. Gentleman that that will not necessarily be absolutely perfect or a utopia, and I am sure that I will still have disputes and arguments with my Front-Bench team or local councils, but at least I will know who I am arguing with and what the process is. To me, that is far more honest than the system that we have now.

The people of the north-east were asked whether they wanted elected regional assemblies, and they said no. What have the Government done? They have carried on devolving powers to regional assemblies that are unelected. That cannot be the right way to go.

Because of all the interventions, which I have been very glad to take, I have spoken for far longer than I intended. I shall end with two very quick points, the first of which has been mentioned. Since the floods in my area, some people have not been able to get insurance and others have had to pay vastly increased premiums. As the hon. Member for Cheltenham (Martin Horwood) said, some have had to cover extraordinarily high excess payments. I had a telephone call today about someone with an excess of £20,000 on his house. In effect, that means that that person is not insured against flooding, because it would probably not cost more than that to fix the damage.

The insurance industry, of course, is a business that has to fund itself and make itself pay, but I wish insurance companies could be a bit more flexible and understanding. I do not know whether the Government can help in that regard, or whether they have had discussions with the industry. I presume that they have, but a bit more flexibility and understanding would not go amiss.

[Mr. Laurence Robertson]

My final point has to do with water supplies. I do not know what the situation is in Cumbria, but we in Tewkesbury lost our water supplies as a result of the floods. Some people were without water for up to three weeks, and the entire county came very close losing its electricity supply. I understand that the problems in Gloucestershire amounted to the largest peacetime emergency that this country has ever had, but can the House imagine how much worse it would have been if we had lost our entire electricity supply? If it is possible to provide alternative water and power supplies, such systems certainly should be in place, as well as the protective barriers that can be built around those utilities.

I send my deepest sympathies to the people of Workington. I can put my hand on my heart and say that I know what people there are going through. I sincerely hope that they come through the experience with the same spirit and resilience as my constituents did.

7 pm

Nia Griffith (Llanelli) (Lab): My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) and the hon. Member for Tewkesbury (Mr. Robertson) have covered much of the ground that I wanted to cover. I shall focus on the Flood and Water Management Bill listed in the Queen's Speech, because I think that it is excellent. I urge Ministers to give it utmost priority, so that we can get started on it straight away.

Even before the dreadful events of last weekend, many of us have experienced the constant threat of flooding. We had flooding in my constituency in July, and we know that flooding is no longer confined to the dreaded November winter onslaught; it can happen all year round. There has been an enormous amount of flooding across the country; it may not have received the same publicity as the flooding of the past few days, but it nevertheless left people out of their homes for months and months, with all the cost and distress that that brings.

Some of the main issues that we are tackling in the Bill were highlighted by Sir Michael Pitt in his report, following the 2007 flood problems. Many of those problems do not happen once every few years, or once every 100 or 1,000 years, or whatever figure people would like to quote; we have to face up to the fact that they will happen much more frequently. We have to rethink our whole way of planning. Many of the points made about planning are exceptionally important.

One of the main provisions of the Bill—a provision of immediate importance—relates to finding out who is responsible for what. The idea that we are to clarify that must be very welcome to many people. I have constituents who, when faced with rising water, have panicked and wondered who on earth they were supposed to contact. Do they contact the water company, because a pumping station is involved? Do they contact the Environment Agency, because the water is from a river? Do they contact the local authority, because the problem is surface water coming off the highways? If they are extremely well informed, they might even know that the local authority has responsibility for that wonderfully named creature, the non-main river, whatever one of those is.

That is what people face, and they are absolutely frustrated. They may have to phone around on a Sunday afternoon, without having a clue where they will get their help from. It is worse than that; even when the emergency state—the actual flooding moment—is over, they have the frustration of spending months trying to find out who is supposed to repair the flood defences, dredge the river, and check whether the pumping station works. That is extremely complex, which is why many people come to me. We have had to go around trying to sort out who is supposed to do what. Clarity is essential, and the sooner we have it, the better. The sooner we all know exactly who does what, and where their responsibilities extend to, the better. That has to be sorted out as soon as possible.

Looking to the future, we need to be very cautious in our approach. We have to think of the worst. We cannot have our grandchildren, or great-grandchildren, looking back and saying, "Why on earth did they build here? What possessed them to do so?" When I look at the addresses of many people in my constituency, I see Welsh words that mean willows and marsh. The minute I see such words, I think to myself, "How absolutely lunatic we were to put buildings in those places!" We really have to stop.

In my constituency, a further danger is posed by the coast. We have a magnificent view; we look out over the Gower peninsula. A person could not want a nicer place to put their house than looking out over the magnificent scenery, across the Burry inlet. However, we have to look at the maps and think about coastal erosion. What is the point in putting a house in a place where coastal erosion may well be an additional problem, or where there is a tidal lock because the house is so near the sea, meaning that nothing can flow away? We have to look at what is underneath; we cannot just look at the surface and think, "Let's build here because there's a fabulous view."

We have to be brave. Obviously, we cannot move every single bit of infrastructure straight away. We cannot move every single water supply source or electricity substation immediately, but we have to plan to move them. We have to plan to get those vital bits of equipment out of floodplains. We also have to stop putting buildings on floodplains. Sometimes, it is tempting to put them there. We all would like a particular new facility—a school or a hospital—in a particular location, but we have to think twice. We have to say, "Perhaps we need to think of the future, and think whether this will be a safe place in 30 years' time." Otherwise, we are creating problems for ourselves, and for the people who will move in. We have to think about that in advance, rather than waiting for those buildings to be flooded.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The hon. Lady makes important points that apply to both England and Wales. Sometimes, part of the problem is that the plans produced by the Environment Agency are not extraordinarily accurate. A hospital extension in my constituency was ruled out at one time because the site was on a floodplain, but further examination showed that it was completely safe. We have to give the public confidence that the maps are accurate and really reflect the situation; otherwise, planning decisions will be arbitrary and people will not be able to trust them.

Nia Griffith: One of the difficulties is that people's faith in the maps has been undermined, because they have seen inconsistencies. I have to say that those inconsistencies are sometimes driven by motivations much more along the lines of those mentioned earlier, when reference was made to some local authorities and greed, and authorities looking to develop much more than they need to. There has been a problem, but I understand that a lot of the maps have been redrawn. We have very sophisticated systems, but we need to ask people with local knowledge for advice, too. People may have seen fields flooded, and may know that there are regular occurrences of flooding in an area.

We should also look at the effect that building in one area immediately has on another. In urban areas, we might be talking about concreting over a garden. However, when vast new housing estates are built, we have to think about where the water will go. That is yet another problem that we have to think about in advance, so that we are not paying for repairs when we could have avoided the situation in the first place.

Mr. Binley: This whole business has been going on for years. One need only go to the Nene valley and notice where the churches were built to see that people in mediaeval times knew exactly what ground to build on, and not build on. We have become too arrogant; we have forgotten most of that, and build on floodplains time and again. I support what the hon. Lady says. We have to find some way of stopping that.

Nia Griffith: Absolutely. My constituency happens to have that tricky combination: short, steep hills next to a coastal plain. Any geologist, geographer or hydrologist will say that that is classic flood country. The rain comes down the slope very quickly, so we have to look at all sorts of areas that are close to the river banks or that are likely to flood with water from those slopes. We need to do a lot of work, and should be much more cautious about what we build where; we should think first.

I move on to a problem that, though small, is of enormous significance to those affected, and that will be addressed by the Bill, namely the adoption of private sewers. The problem is terrible for those whom it affects. It has certainly affected people in my constituency, in places such as Cleviston park, Derlyn park and Dolau Fan road. When something has gone wrong, residents there have found, to their absolute horror, that they are on what is called a private sewerage system. They did not know that because they have paid—some of them for as long as 40 years—what were water rates and are now water charges in the same way as everybody else. They have paid and paid, like everybody else; of course, the sewers for which they are paying are taking some of the local authority's water off the local authority's highways.

Suddenly, when something goes wrong—it may be a blockage, because the pipes may not have been of the best quality—the system is discovered to be completely weird, but certainly not wonderful, with pipes doubling back on themselves in people's back gardens, and crossing from one garden to another in an absurd way. That has left people such as my constituents with bills of around £2,500 for one simple break to be repaired. They have to pay that in addition to paying the water rates that they have paid for years. The Bill will end that practice and make sure that, after the 2003 survey, which included a mapping exercise of all the private sewers across the country, water companies will be forced by legislation in 2011 to adopt all the systems on estates that have not been properly adopted in the past. That will be of tremendous importance to those people.

In Wales, powers can be drawn down by the Welsh Assembly Government, and we very much look forward to that. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), has been closely involved in work with the relevant Minister from the Welsh Assembly Government to make sure that that happens. It should be simpler for Wales, as it has only two main companies—Welsh Water and Severn Trent Water—with which to negotiate, so that should happen very soon. I was somewhat shocked at a public meeting that I called not very long ago to hear how proud Welsh Water was of paying a dividend of £21 per water-charged household throughout Wales. That was a very nice dividend, but those of us who are comfortably off could probably have done without that £21, because we would not have noticed if it had not been returned. However, Welsh Water balks at the thought that it might cost £5 to £30 per household to absorb the costs of sewer adoption. Everyone at the meeting thought that that was quite absurd: one minute, the company was giving back money, but the next it was saying, "Well, we don't know how the negotiations will go with the Welsh Assembly Government. We don't know whether we can adopt those sewers, as a certain amount of money might be added to the bill—perhaps £5 to £30.

Mr. Roger Williams: The hon. Lady has been very generous in giving way. I very much agree with her. Some houses in my constituency have been subject to sewer flooding, and I have always said that it would be far better not to pay a dividend of £21 or £22 a year, and instead to ensure that the affected houses are safeguarded from that occurrence, and to take up the sewerage systems that the hon. Lady has mentioned.

Nia Griffith: Indeed. I very much agree. It is extremely important that we keep up the pressure, and I urge Ministers to do so, to make sure that legislation is imposed on those water companies and they do not try to wriggle out of their obligations or postpone them—action must take place in 2011, and we must not let it drift around the place. That is a completely different issue, however, from tackling water poverty, where we seek to operate a sliding scale or provide help where it is needed instead of paying a blanket dividend.

The Bill will therefore be extremely important in dealing with something that we said was extremely important in the Climate Change Bill—the issue of adaptation. We always thought that it would be something right at the end of the Bill, but when we are rushed for time it can be difficult to give something full consideration. However, the Flood and Water Management Bill makes a commitment to try and put something in place and to begin the process of dealing with adaptation. We need to take that more seriously, and make sure that we design a country so that, in 200 or 300 years' time, residents say, "Yes, this was the right place to build," and not, "How stupid or foolish they were to do that all those years ago."

7.13 pm

Mrs. Maria Miller (Basingstoke) (Con): It is a pleasure to follow the hon. Member for Llanelli (Nia Griffith), who raised a number of important issues, particularly the need for clarity on different responsibilities, which I encountered in my constituency when it was difficult to assess who was responsible for the clean-up after flooding that occurred as a result of building works. Even more importantly, we should make sure that we do not build in inappropriate places. There are great examples in history of houses and palaces built next to water courses. Indeed, I live in a 400-year-old barn, which was built in Huish—an Old English word for "damp"—next to a spring, and it is still standing somehow. There are examples of how that can work, but all too often the reverse happens, and those houses are devastated by flooding. The hon. Lady therefore made some important points, as indeed did my hon. Friend the Member for Tewkesbury (Mr. Robertson), who spoke about the need to ensure that development is appropriate.

I welcome the opportunity to contribute to today's debate. I shall probably redress the balance in favour of environmental issues, as opposed to the energy issues that dominated our initial proceedings. The Flood and Water Management Bill in the Gracious Speech gives us an opportunity to deal with important issues relating to development, and I shall develop that theme. This is a timely debate, and I echo the comments made about problems experienced in Cumbria, Wales and many parts of the country, and the devastation that the floods have brought to local communities. My hon. Friend the Member for Tewkesbury said that it is probably difficult for someone to appreciate the true impact of flooding until they have experienced for themselves losing all their belongings or their home. I hope that the people who have been affected receive all the support that they need, and I pay tribute to the heroic work of the emergency services in the past week.

Recent events have heightened our awareness of the natural limits that the environment imposes on every single community, so we must keep a careful eye on the implications of climate change. Water has always played a fundamental role in all communities, which were set up because there was a water source close at hand. That water source has nurtured our communities, enabled them to grow and has shaped them in many respects, too. Moving water about and storing it is expensive. Cleaning it is costly and subject to technical limitations. When I began to read the Bill, I felt that it was just scratching the surface of the issues that arise when we look at water management and flooding. I echo the comments made by the Select Committee on Environment, Food and Rural Affairs that the Bill is a slimmed-down version of what is needed.

If we are looking for consensus, however, we can find it on the need for sustainable development. Environmental concerns should play a considerable role in helping to determine the way in which our communities develop in future. The Bill in the Gracious Speech should not be a missed opportunity to reinforce that even further. There has been much talk today about making tough decisions—the Secretary of State for Energy and Climate Change used that phrase on several occasions. He also urged us to believe the science, and to make sure that we are convinced, as issues arising from climate change will affect the way in which our communities will have to operate in future. I challenge the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Ogmore (Huw Irranca-Davies), who is sitting on the Front Bench, on whether all his colleagues are convinced about issues of sustainability and environmental sustainability.

When we begin to look at work that has been done, particularly on planning and development, we can see that there is a great deal of paperwork on environmental sustainability. Indeed, the new Bill specifically establishes the need for a

"local flood risk management strategy",

which will be developed by a county council or a local district council in the regional spatial plans that we discussed earlier. Specific attention is paid to the environmental impact of house building, particularly in local communities. In my constituency in Basingstoke, as a result of the south-east development plan, we have undertaken an extensive four-year water cycle study, to consider pollution levels in our local river. Various consultations have been undertaken by water companies and the Environment Agency to make sure that we are aware of environmental issues as they pertain to house building and planning.

However, when I look at the actions of Government Departments other than DEFRA, I question whether there is complete buy-in to the goal of environmental sustainability, and whether the Bill offers Ministers the opportunity to make sure that their colleagues in other Departments have got the message. In relation to house building particularly, environmental sustainability cannot be ignored. As the hon. Lady said, we cannot set it to one side. It is a matter on which we will be judged by our children and our children's children.

Perhaps in the Department for Communities and Local Government there is not complete buy-in to the concept of sustainability. Having examined the problems in my constituency, I cannot understand why the Department would endorse a building target of 19,000 houses by 2026 if it truly bought into the vision of environmental sustainability. Along with many areas of the south-east, Basingstoke is an area of serious water stress. The Government acknowledge that the effects of climate change will lead to a reduction in the supply of water in my constituency and an increase in demand.

In terms of water supply, the situation in north Hampshire is worse than in some Mediterranean countries. My local river, the River Loddon, is in extreme breach of the European water framework directive. The phosphorus levels—which, as the Minister is aware, are directly linked to levels of population—are six times higher than recommended by the water framework directive standards because of the effluent discharges from my local sewage works. I am told by those who are expert in these matters that there is no sewage treatment works in the country and no technology in the world that could reduce the pollution in that river to levels consistent with the water framework directive. Building one more house, let alone 19,000 more, is problematic if we are to be truly sustainable in our approach to developing our communities.

I mentioned earlier that there has been an expensive and extensive water cycle report, which has been going on for about four years. That has confirmed that house building levels set by Ministers through their regional

assemblies will perpetuate the situation. There will be no improvement in the water quality and the pollution levels in my local river if house building continues in the way that the Government foresee. In case hon. Members are not aware, the river is a north-flowing salmonoid river, one of very few in the country, and a prize possession in our local area.

In my constituency, 75 per cent. of the water comes from chalk aquifers, so abstraction of water from underground is key. Even before the proposed increase in house building, the way we get our water is resulting in a lowering of the water table because of the increased abstractions that we have had to undertake in recent years. As a result of excessive abstraction in the neighbouring Whitewater valley area, there is already possible environmental damage, which is being closely monitored. On behalf of my constituents, I pay tribute to the work of the Hampshire and Isle of Wight wildlife trust for all the work that it does in identifying and protecting fragile and important areas such as the Mapledurwell fen, where there is a risk to the environment from a lowering of the water table as a result of high abstraction levels.

Too many of the tools that the Government are foisting on local authorities do not seem to take account of the importance of environmental sustainability. I refer to the strategic housing land availability assessments, with which many other hon. Members may be grappling—those nicely termed SHLAAs, as our local councillors are starting to call them. They are being used to determine where houses might end up, without even considering issues of biodiversity or the quality of the landscape and its importance in the local community. Despite all these troubling environmental indicators, my constituency, along with the south-east, is being earmarked as the centre of house building in the country.

We cannot allow the debate to go by without Ministers responding to that. There seems to be a disconnect between house building and environmental sustainability, and the consequent overloading of the south-east with house building. What assurances can the Secretary of State give when he winds up the debate to me, my constituents and other Members who represent areas in the south-east about the priority that should be given to environmental sustainability in the context of house building in the future? The Secretary of State for Energy and Climate Change spoke about making hard choices. I do not see those hard choices being made when it comes to saying no to development that might fundamentally affect the environmental quality and sustainability of our communities in the future.

I know that many hon. Members are keen to participate in the debate because it is such an important subject for us and our constituents. The second area that I shall touch on is the involvement of local communities, which is picked up in the Flood and Water Management Bill. I welcome the apparent increase in the role of local authorities in strategy and planning for flood management.

The hon. Member for Llanelli stressed the importance of clarity of roles. Reading through the Bill, I can understand that the intention is to clarify the roles undertaken by county councils and district councils, and that the Government are rightly introducing some flexibility so that local authorities can work matters out for themselves. Let us make sure that that flexibility does not turn into a lack of understanding, particularly among constituents who might be affected by these issues, and that there is a clear demarcation of role in practice.

A further question that I would throw to those on the Government Front Bench is how local authorities can balance the conflicting priorities of hitting the Government's house building targets and being responsible for managing flood risk. As we have heard in the debate, those could be conflicting priorities. Where are they to put the houses if the housing number is set so solidly, if they are restricted by the risk of flooding or unsuitability for other environmental reasons? We must make sure that we address that conflict. I urge the Minister, if he has not already done so, to look at the proposals put forward by my hon. Friend the Member for Welwyn Hatfield (Grant Shapps), which would help enormously to overcome some of the conflicts by putting the scheduling of house building and the determination of house building levels into the hands of local elected representatives.

Martin Horwood: Some of the conflicts that the hon. Lady rightly describes could be resolved by more careful examination of the numbers behind regional spatial strategies. The RSS for the south-west is still based on a 3 per cent. per annum growth rate maintained consistently over 20 years, which is clearly not being achieved at present.

Mrs. Miller: The hon. Gentleman is right to question the numbers. Rather than questioning the numbers myself, I should like my local elected representatives to be in charge of house building and the scale of house building that might be undertaken in that locality. They are best placed to know how a community should develop, and how they want their community to develop. That is where the power should lie, rather than in Whitehall, as it has in recent years.

The hon. Member for Llanelli spoke about private sewers. I thought I might be the only person to pick that topic out of the Bill. It seems that many of the 200,000 km of private sewers reside in my constituency. For hon. Members who have not encountered it, the issue is that housing estates are developed and because of their set-up the sewerage systems, which we would naturally presume would be handed over to the relevant authority to be maintained, remain the responsibility of local residents. That can come as something of a shock to some residents, but even more of a shock are the bills that are sometimes associated with such private sewers.

I see the Under-Secretary nodding in agreement that that provision is quite firmly in the Bill, but I ask for clarification about how it will be rolled out, because it is a potentially significant financial issue for local water companies—the organisations that will take over responsibility for private sewerage systems. Many sewers in my constituency have deteriorated significantly because of a lack of maintenance, mostly due to tree roots having gone through the sides of pipes and caused blockages and as a result of the sort of flooding referred to.

Will the Secretary of State offer some assurance that simply handing over ownership to a third party—to a water company—will not be a paper exercise, and that those companies will be able to undertake the maintenance that has not been what it should have been in recent years? I am aware of the water bill levy that is intended to pay for some of that, but will there be an imperative

[Mrs. Maria Miller]

for maintenance, and how will it be dealt with? Will he confirm that he intends the legislation to come into force as soon as possible? Why do we have to wait until 2011? If it is going to happen, it should happen sooner rather than later, so that residents in areas such as Popley in my constituency can rest easier in their beds, without the threat of sewage flooding, which has become an all too common incident for too many of them.

In conclusion, I shall pick up on something that the right hon. Member for Kingston upon Hull, East (Mr. Prescott), who is no longer in his place, said in his concluding remarks. He said that the 21st century is the period of mass sustainability, and I could not agree more. That should be our watchword, and I say amen to that comment. The right hon. Gentleman was the architect of the problems of overdevelopment and excessive house building and with planning for the future that I am dealing with in my constituency. My local council in Basingstoke is grappling with many issues that were formed under his stewardship of that part of the Government, so perhaps his successor, who is now responsible for that area of Government policy, will hear the words that the right hon. Gentleman sagely uttered today and act now to ensure that future house building is environmentally sustainable not just in my constituency and the south-east, but in all our constituencies. The Government should use the Bill in the Queen's Speech to underline to people not just on the outside but on their own side that environmental sustainability has to be the name of the game.

7.33 pm

John Mann (Bassetlaw) (Lab): I have been listening to these speeches about how this is the important issue, and 23 Members of the House of Commons have managed to stay this long, or were here in the first place, out of 646, so it has clearly captured the imagination of this country's elected representatives. In a similar way, everyone's propaganda will say that this is their top priority, or one of their top priorities, in the months to come.

I listened with interest to my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), who is not now present. He made a good speech, and I am glad that he is going to Kyoto, because he has done a lot of the ground work. [Hon. Members: "Copenhagen."] He was in Kyoto and he is going to Copenhagen. However, I heard the sneering remark from the Liberal hon. Member for North Southwark and Bermondsey (Simon Hughes), who is also not present, about how people should not fly to Copenhagen. I call that the "Monbiot syndrome", after *The Guardian* writer. What such people do, from their intellectually high position, is sneer on the masses when it comes to everything to do with the environment, and they believe that, in some way, such tokenistic little gestures move things on. Well, they do not. They polarise the population and people dismiss the idea that what we say is important.

Martin Horwood: Will the hon. Gentleman give way?

John Mann: No. The hon. Member for North Southwark and Bermondsey is not here, but if he wants to come back, I may take an intervention from him. I noted that sneering, by a Member who drives around one of the nearest constituencies to Westminster in a car, when most of his constituents are happy to go on the bus and on the underground. That syndrome, which involves sneering about action on the environment, undermines the case for the environment.

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Member is making a quite considerable attack on a Member who is not present. I suggest that he returns to his speech and to a contribution to the debate.

John Mann: Thank you, Madam Deputy Speaker. I will continue with my speech.

"We all know," said a Conservative Front Bencher, "that coal-fired power stations are to close." Well, actually, we do not all know that. When will that happen? What is the time scale? It shows the vagueness that has slipped in and become major statements. I happen to have two coal-fired power stations in my constituency, and nobody has told the company that runs them that the power stations will be closing. Indeed, it has just invested many tens of millions of pounds in technology to green the stations, and it has done so with Government support. Therefore, it is not accurate to say that we all know that coal-fired power stations will be closing—not in my constituency. They will not be closing, those jobs will not be going and that energy will be required. Such statements show the shoddiness of the debate.

If we were to ask, "In 30, 40, 50 years' time, what power stations should there be, and what do we want to see there?", we would rightly recognise that the new gas-fired power stations being built alongside existing stations are an interim stage. There will be stages beyond that. However, a party, presuming that it will be in power, suggests that it is going to close down coal-fired power stations. No, it is not, and if it is, it should give us the time scale, because my constituents, as producers and consumers of that energy, will want to know when they are going to close. The Government encouraged new and wise investments in flue gas desulphurisation units, and EDF and the power stations put up the money. Those units green the use of coal in order to create power, and they have a long life span, which is precisely why I and my local community welcome that investment.

However, that does not mean that I agree with the consensus, but I have heard a little bit of consensus. The Government are in favour of wind farms and the Opposition are in favour of wind farms, so there will be wind farms everywhere. Well, I am no nimby: there is a power station, literally, in my backyard. I look out my window and see and admire it every time that I am at home. There is a second one just down the road, a gas-fired power station is being built alongside a massive one and doubtless there will be more in the future. We are not nimbys, but we are not going to be surrounded by windmills on one side and power stations on the other, so those windmills can go where the wind don't blow, as far as I and most of my constituents are concerned.

We are not having anything anywhere, and that consideration must be part of the process. Those of us who have power stations in our backyards have a right to say that we are not having more in front of us than we have behind us, or, in some householders' cases, more behind them than they have in front of them. It

depends which way we look at these things. That is a critical factor. When we scrutinise the legislation, I want to ensure that there is no sneaky way something can be imposed on us. I will not vote for anything that can impose windmills on us when we have the power stations already. Far more windmills should be put out where the wind does blow—out at sea—as the Danes and others have learned. That is where the majority of wind farms should go. I think that we will see more resistance to the indiscriminate location of something that makes a tiny contribution to the energy supply, but undermines the concept of environmentalism for my constituents and others. That is an important consideration.

I heard the Secretary of State dismiss, perhaps unwisely, the notion that there should be amendments to his Bill. It behoves Secretaries of State, particularly young ones with ambitions for the future, to listen not only to the Opposition but to the country and to their own Back Benchers. I am pleased to see that three Ministers—there were five a moment ago—are in their place taking notes of the points that I am making. There is a series of potential amendments that would improve the Government's performance on the environment. Let us not have too much rigidity on wind farms. In Germany—I think the figures are two-years-old—14 per cent. of households have solar energy. That is extraordinary. Based on my occasional visits there, Germany is no warmer than my constituency or the rest of Britain—it is about the same. If the Germans can have 14 per cent., we can have more. We can manufacture that sort of technology in this country, thereby creating manufacturing jobs. I am bewildered as to why we allow new house building without insisting that it should get preferential planning consent—not in any area, but in appropriate areas—if such technologies were built into it. We are making a major error by failing to encourage solar panels and other such technologies in all new buildings—we should be incentivising that in a big way.

I would go a stage further. How do we sell to retired miners who are only just giving up their solid fuel fires—some have still not done so—the concept of alternative green technologies? I could do that in any of the homes in my constituency; they are often little bungalows. The way to do it is to stick in a solar panel for free and give those people free hot water. The retired miners who dug the coal in my constituency would be rather pleased to have free hot water. It might not be on every day of the year—the experts can tell me that—but for most of the year they would get free hot water, and as the technology developed they would get more than that.

To me, that is common sense, so why are we not doing it? We could be giving young people apprenticeships in these new manufacturing technologies so that we are the leader, pump-priming in the way that the Americans long ago learned to use contract compliance, not least with the armed services, to pump-prime manufacturing and new technologies. We should be doing the same. That would be a more complex amendment, but the principle is simple—to get our manufacturing industry going with products that the public will see as common sense and as things that matter in everyday life. None of my constituents would turn down free hot water—not one. That is where we should be taking these policies. If we cannot manage to do that by amending the Bill, perhaps the opportunity will come with next year's Budget, if not the pre-Budget report.

I was perplexed by the consensus between those on the Front Benches on communal heating. The Secretary of State was a little equivocal, but the Conservative spokesman was absolutely certain. The Conservatives back district heating systems, just as the Soviets did when they pioneered communal heating systems and built them across the Soviet empire. That was how people had to live. They were told, "Here's your heating—you will have it. If it's too hot, you'll open the window, and if it's too cold you'll put a coat on." We now find, in local authority areas such as mine, these cranky old boilers that are years out of date and pump out the heating, not very efficiently. I know a little bit of physics. Some people like the extra heat, but others do not, and with a centralised system, there is nothing they can do other than open the windows. The heat pours out, and they get the bill. They come to me and say, "This is stupid. Look at our bill—it's far more than anybody else's. It's bad for the environment and bad for my pocket—I'm paying for something I don't want." There is an opportunity to move away from the Soviet structures so beloved by the new Conservative party, as articulated this afternoon—much to the horror of one or two of its Back Benchers, as I can see from their facial expressions. I encourage them to sort out their Front Benchers on this issue. These Soviet systems are not efficient for the environment or for the consumer, so let us change them. That could be done easily and immediately, with a few extra bits of pump-priming of the economy as new boilers and systems had to be installed by local suppliers.

I am surprised that the issue of mushroom farm composting is missing from the Queen's Speech. In the villages of Misson, Harwell and Everton, the biggest single emissions are those from the Tunnel Tech mushroom composting factory. No one else would know about that—apart from my right hon. Friend the Member for Don Valley (Caroline Flint), who has Bawtry, which is also affected, in her constituency. There is only one such area in Britain. Following my interventions, we have managed to get some regulations on this, and I believe that the Secretary of State has indicated that there will be more over the winter.

Action is needed to end this scandal. It is a classic example of what happens when we devolve power to the lowest level. This place is full of former councillors who love everything being devolved to the local level. The problem is that we have these tiny district councils because no one has bitten the bullet and brought in good-sized unitary authorities, which we should have across the country, including in my area, saving the taxpayer at least £200 a year on a band D property. If we had that system, my authority would have the ability and money happily to take on Tunnel Tech in court but, having lost £8 million in the Icelandic banks debacle through its bad financial management, it is too terrified to take anybody to court about anything, so Tunnel Tech gets away with it. This little authority is up against the big multinational, and it is terrified. The problem needs to be resolved, whether through regulation or the wise counsel of the Secretary of State or one of his Ministers. I do not suggest an entire Bill on mushroom composting because, important though it is, it is perhaps not the highest priority for the country at the current time—although it certainly is for those 1,000 residents. I am looking for even more support from the Secretary of

[John Mann]

State. I congratulate him on his diligence in working on this over the past year, but we will need a final push to sort out the problem once and for all.

The House will be pleased to know that for the sake of brevity I will not say too much about the issue of Warm Front, which I have raised over the past five years with the Secretary of State, his team, and his predecessors. Suffice it to say that the scandal of Warm Front contracts undermines, once again, the confidence of constituents such as mine in the whole concept of environmentalism. In theory, it is a brilliant scheme; in practice, half of it is a brilliant scheme, but the other half is racked with labour costs. I had a case this week, with constituents being charged £4,500 to put in one boiler and two radiators. I can get tradesmen and tradeswomen to do that for £900 or £1,000. My constituents expected to pay £1,000 of that £4,500. We will ensure that they do not, but the taxpayer is still paying £3,500 for that simple little job. The scheme needs to be properly tightened up. I suspect that a Warm Front Bill will not emerge from amendments that I attempt to introduce, but it remains a very important issue.

Bob Spink: While the hon. Gentleman is talking about fuel poverty, will he address the problem of prepayment meters? The electricity supply companies have done well so far, but they need to go a lot further. Will he look to the Government to make further progress so that we remove the obscenity of the poorest people paying more for their electricity?

John Mann: As ever, the hon. Gentleman makes an excellent point on behalf of his constituents, mine and others. Those in private rented accommodation are often ripped off the most, and I know that, as ever, Ministers will be listening to his wise counsel.

I echo most of the comments that the hon. Member for Tewkesbury (Mr. Robertson) made on flooding. I will not repeat them, but it was a superb contribution. I recall sharing flood telephone conferences with him, during which we pushed for and got a responsiveness from Government that we found admirable and a good example to Departments on how to respond in times of crisis. Ministers should be congratulated on that.

I was delighted to hear the Secretary of State announce that the concept of speaking of floods as one-in-100-year or one-in-30-year happenings is to be changed. That was a profound announcement, and I attempted to say something on it but my intervention was unfortunately not taken. Perhaps we can tease out more of what it means. Those numbers determine where flood defences and money go and what local authorities feel obliged to do, and they have a significant impact on the planning process and decisions on where new houses and other buildings are unwisely built.

My house was a little flooded on one occasion, but nowhere near as badly as my neighbours' and other people's. Things change over time, and I have shipwreck timbers from when the river came all the way up into Bassetlaw. The Pilgrim Fathers went to America on a boat from Bawtry. Planning for flooding clearly needs to be overhauled, and the change in the language used will simply and easily create a new understanding. Of course it will not provide resources—that will require Treasury moneys—but there is nothing more frustrating for someone when their house and their neighbours' houses are flooded than to be told that it is a once-in-100-year event when they can plot exactly when it last happened. The change will be a major step forward, and I hope that the ministerial team will expand on it.

I have one more little suggestion for Ministers. A small number of schools have been flooded—I believe that one in Tewkesbury may have been, and two in my constituency were. There needs to be a better system for ensuring that when a school floods, decisions on rebuilding it are not just insurance fund-led. If they are, we get cheap and cheerful patch-up jobs on the assumption that the school could flood again. If it is in a floodplain, it either needs to be rebuilt higher up or moved slightly—not to another village or another area, but in most cases it will be possible to move it slightly. It may be difficult and expensive, but the power ought to exist for schools in particular, as they are the key public buildings most likely to be affected by flooding. A little amendment to the Flood and Water Management Bill would give Ministers the power to intervene to override the natural tendency of those in officialdom to chase insurers immediately and replace like with like. That can be a weakness, and the power to intervene directly in such cases would be a wise addition to the Bill.

The huge omission from this debate, as it will be in Copenhagen, is population. To my mind, there is no question but that the world cannot continue to expand and expand its population. The notion that Britain can manage with an extra 10 million people living here is nonsense. That has something to do with the immigration debate, but it is far more widespread than that. It is not about the composition of the people here—I have no problem with that, and the more diverse the better, in many ways. However, the increasing number of people and the requirements for housing and other services that go with it, if not irreversible over the centuries, is irreversible within our lifetime and that of the next generation.

I do not want my constituency, rural Bassetlaw, to be a suburb of Doncaster or Sheffield, with ever more housing stuck in for the so-called needed increase in population. I am an economist, and when I question other economists such as those at the Monetary Policy Committee and the Bank of England, they do not want to discuss population. However, it is fundamental, and we must consider where those people who move across the world are coming from. Our immigration is a trickle compared with most countries in the world. There are huge population moves, sometimes led by war but more endemically led by food and water shortages. Those are the key factors that will determine where the wars of the next 30 or 40 years will be.

The British Mountaineering Council, of which I am an active member, is meeting today in this building, and one can examine the big mountains and glacier shrinkage to see the impact on the environment. It is not just about the damage that has been done. One can map out where the water supply will not go when it is reduced, and therefore where the next major wars will be. The Himalayas are the biggest area for the provision of drinking water, so that is a frightening prospect.

Population needs to be part of our equation. It is the great unspoken, and not just in this country. It has an effect on consumables. One of my political opponents, a

Conservative, bemoaned the fact that I had raised locally the point that the situation could lead to the extinction of animals that the world needs for the quality of our life. A good example is that there are virtually no tigers left in the wild. That is a direct consequence of population growth. What kind of world will it be if the animals that we see only on occasion, or through the BBC, disappear because population has crowded them out? That is what is happening, at such a fast rate that there will be nothing left for future generations. That is irreversible, and it should be at the heart of our thinking.

My final point is about the new nuclear power stations. Already, we are hearing that those responsible for one of them want to bring in foreign companies to do the build. In this country's economy, far too much investment has gone to the south and south-east, particularly London. I say to the ministerial team that with new nuclear build, British companies must get the vast majority of the contracts, so as to build skills in this country by using large numbers of apprentices and by upskilling the existing work force. There should not be, as with Crossrail, American competition coming in, cherry-picking the labour, leaving no skills benefit and damaging our economy because of it. We got it right on the Olympics and wrong on Crossrail, and for nuclear power stations it is vital that in the subcontracting we buy British. If we do not, our manufacturing industry and much more will rue the day.

7.59 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is an honour to follow the hon. Member for Bassetlaw (John Mann) in what may be quite an important moment—his castigation and denunciation of the Soviet Union probably means that old Labour is now dead, and we should probably take a moment to think about that. However, he made some good points.

As the remaining months of this Parliament go by, I am sure that with my Front-Bench hat on I will have time to engage with Ministers and other Front Benchers on issues in the Queen's Speech, but today I shall restrict my remarks to my constituency, particularly at this time when it has suffered from unprecedented flooding, like much of the rest of Cumbria.

When I listened to the Gracious Speech last week, I paid particular attention—because of my brief and other interests—to the reference to the Flood and Water Management Bill, but I did not realise, whatever the forecast might have said, how personally involved I would become with that issue within 24 hours. Less than 24 hours after Her Majesty had spoken, I was waist deep in water in Kendal with my constituents.

As I said in my question to the Secretary of State during the statement yesterday—it is important to repeat it—PC Barker lost his life protecting the lives and safety of civilians. At times of difficulty like this, we always praise the emergency services, and we are right to do so. We should not forget what risks they run at such times, and PC Barker's tragic death underlines that. On behalf of the whole House, I wish to express my immense sympathy and gratitude to his family, and indeed to the whole constabulary.

The hon. Member for Tewkesbury (Mr. Robertson), who is no longer in his place, remarked that people do not really understand the issues of flooding until they have seen them for themselves. That is a strong point, because I saw both sides of the issue last week. On Thursday morning I was in Kendal as the River Kent was bursting its banks. On the Aynam road side of the river, one of the warehouses had been lent by its owners to Operation Christmas Child, which—as other hon. Members will be aware—is a project in which the community, especially local schools, works to put together shoeboxes of Christmas presents for orphans in eastern Europe. That warehouse was right next to the river and was likely to flood within half an hour. I joined some 25 to 30 people who were busily emptying about 10,000 of those boxes into the back of a lorry so that they could be driven to safety. We succeeded, which was wonderful. I then walked down the road with a family who had been helping, and we were full of the spirit of camaraderie that difficult times engender. We reached their house, which had just flooded, and the mood changed instantly. They went from feeling that community spirit—which undoubtedly exists at such times, so much so that it could almost be bottled, no pun intended—to abject misery through being affected personally.

It is important to pay tribute to that community spirit. When I was on the other side of the river, earlier in the day, at Edgecombe court—a block of sheltered flats—I was helping to move some of the residents to higher floors. I expressed sympathy to them as we helped to move their stuff upstairs, but I was mostly slapped down, because as they said, they had lived through a war and this was nothing. That spirit is prevalent throughout the county and we need to pay tribute to it.

The Flood and Water Management Bill is late. We could have had it a year or two ago, but it will be welcomed throughout my constituency. After I had been in Kendal on Thursday morning, I went up to Burneside. Many people will have seen the torrent there when the Kent burst its banks and rushed through people's living rooms. Further up the road in Staveley, where the Gowan burst its banks and rising water levels affected people living on Main street, the problems could have been dealt with by some of the measures in the Bill.

Many parts of my constituency remain under water and they are what we might call the tourist honeypots—Bowness, Ambleside and other areas in central and southern Lake district. As I left home yesterday morning, Lake Windermere was significantly bigger than usual. It is the biggest lake in England, but it has a tiny drain into the Leven to the south and it is taking longer to empty. Many of the businesses in Bowness and Ambleside are still under water and they will need specific support as they seek to recover.

The impact is also high in places such as Backbarrow, where a bridge was lost, causing great inconvenience. The loss of so many bridges has not only been tragic, in the case of PC Barker, and inconvenient, causing communication difficulties, but has meant the loss of important parts of our heritage, which have been literally washed away. Earlier in the debate, we heard about people who expressed scepticism about climate change. I just ask them to look around. Very few people in Cumbria this evening will need much convincing that climate change is both real and the result of human activity. The good news is that if we caused it, we can solve it. As we look to mitigate and deal with climate

[Tim Farron]

change, we must keep in mind that common endeavour—that wartime spirit evoked by the residents of Edgecombe court—but we must also adapt. The Flood and Water Management Bill is part of that.

While we have suffered immensely in south Lakeland, we feel tremendous solidarity with our fellow Cumbrians in Cockermouth, Keswick, Workington and other parts of the north and west of the county who have suffered even more in many cases. Like us, they refuse to be cowed by this devastation and are determined to rebuild their communities, including residential properties, the communications network and businesses.

Christopher Fraser (South-West Norfolk) (Con): We all have sympathy for the hon. Gentleman's story, but can he clarify his view of the Flood and Water Management Bill? Does he agree with the Environment, Food and Rural Affairs Committee, which has been critical of the Bill? It said:

"The current draft is a confusing mix of measures, many of them poorly drafted; a patchwork that seeks to address individual identified problems, rather than deriving from a coherent and comprehensive strategy to implement the vision set out in 'Future Water'."

Tim Farron: That is a fair intervention, and I agree that there is a lot wrong with the Bill. It is inadequate in many respects, but it is on the table and it is significantly better than nothing. We will scrutinise it throughout its progress through this House, but we believe that it will be better for my constituents, for his and for the whole country if we end this Parliament with a Flood and Water Management Bill on the statute book. I hope that it will be better than the one in front of us at the moment.

I shall give some reasons why the Bill would be a positive step. The presence of a single co-ordinating body across the country—it makes sense for that to be the Environment Agency—will be a huge improvement. There is far too much confusion and buck passing, and not enough backside kicking, when it comes to preventing flooding or dealing with it when it happens. One area of my constituency that thankfully did not flood this time round is Grange-over-Sands, although it often does flood in the Windermere road area. Fixing that problem is a nightmare, when the Environment Agency, local authorities, United Utilities, Network Rail and others all pass the buck to each other, no doubt because solving it would cost money. I want to see a single entity that has the power, the authority and the resources to knock heads together and ensure that we solve such problems. That single co-ordinating body should have the muscle and the inclination to tackle such problems. I observed this morning that Severn Trent Water was celebrating—or perhaps apologising for—record profits. I think of the record profits that United Utilities and other water companies have been, shall we say, fortunate to amass, thanks to an infrastructure paid for by the taxpayer—an infrastructure that is also elderly, but which they have been far too complacent about.

Again, it was an irony—or a coincidence; I do not know—but six days before the catastrophic floods last week, I was in Burneside with representatives of United Utilities and the Environment Agency, at the epicentre of the floods there. We were trying to deal with flooding that happens just about every fortnight, never mind once in a thousand years—flooding at a lower level in Burneside, but nevertheless at an appalling level, because it involves foul sewage as well as everything else. The response of United Utilities was, "We know what the problem is. The problem is that the Kendal and Burneside drainage system is inadequate, but it is a low priority to us." The Environment Agency representatives stood there and sort of nodded. However, I do not want the Environment Agency to stand next to United Utilities; I want it to apply shoe leather up backsides to ensure that those things get sorted out. The complacency of the water companies was shown up for what it was just six days later, when the residents in that area had to deal with the devastation.

I also welcome the elevated role of local authorities, as a potential consequence of the Flood and Water Management Bill. It is right that they should have single responsibility for the local flood risk strategy, but they must also have the resources to do that job. One of the other success stories, as it were, in our area that we would like to talk about is that in Kendal, even with a deluge, say, a quarter of the size of the one that we have experienced in the past few days, the Sedbergh road area would have been flooded and about 250 homes would have been under water. Indeed, with that particular deluge, I suspect that we would have had 500 to 700 properties under water. However, that area of Kendal did not flood because two years ago the local district council built the Stock beck flood relief system, which has worked, even in this most dramatic of situations. That came about after I chaired a meeting of about 11 different agencies, sitting them round a table at the Castle Park primary school. It is wonderful what getting people sitting round a primary school table on those low chairs with their knees underneath their chins can do to, let us say, interfere with their dignity and ensure that they address the issues. We banged heads together and ensured that a successful flood relief scheme was built.

However, I do not want to go through the same process every time. I want local authorities to have the power to make things happen, but money is power, and they have to have the necessary resources. If the resources do not follow those powers, they will be absolutely pointless.

I look back on the experience of my constituents last week. I talked to the Environment Agency earlier today about early warning. I appreciate that it has done a tremendous job these past few days and deserves praise for its work. Indeed, it has improved the standard of the warnings going out to people, but many of my constituents either did not receive text message warnings at all, if they were on Aynam road, Lound road many of the streets off those roads in Kendal, or, in the case of Burneside, they received a text message six hours after their homes had flooded. I understand that that is all down to mobile communications and so on, but frankly we have to look at the issue in future, because that is not a good enough excuse.

Also, although the generalised flood warnings put out by the Environment Agency were excellent, timely and accurate, we now have the know-how, particularly in the national flood forecast centre, to give specific targeted warnings to homes and businesses well in advance to allow them to take the necessary precautions,

move furniture upstairs, evacuate if need be or sandbag themselves in to ensure that they do not get flooded at all.

I am also concerned that the warnings are given only when homes or businesses are at risk of flooding because of rivers bursting their banks, because the majority of the homes flooded in my constituency were flooded because of surface water and ground water. All those things are just as predictable—or potentially predictable, using different models—but at the moment they are not in the Environment Agency's remit. That is wrong. I want to ensure that the Bill makes provision to put that in law, although they are things that can also be fixed without legislation. I would like the Secretary of State to take steps towards addressing that right away, because we have the know-how to sort it out.

As other right hon. and hon. Members have mentioned this evening, we also need to be able to strengthen the hand of local authorities to say no to development on flood plains and in other flood-risk areas. I am absolutely committed to developing new, affordable homes for local families, particularly in my area. It is a tragedy that we have a waiting list of 5,000 people for council homes in social rented properties, but only 4,000 social rented homes available. I will not go into why that might be, but we all know the reasons why—the failed policies of the past, shall we say? That is a tragedy, so I want more social rented and other affordable homes built as an urgent priority. However, I do not want the families who get those homes to be subject to almost instant misery because the houses have been built in areas where we will be dealing with flood risk year after year. We surely have the capacity to deal with that in this day and age.

The hon. Member for Llanelli (Nia Griffith) talked about the names of places where such developments have been built, perhaps giving away the fact that they should not have been built. My previous home in Milnthorpe, before we moved to our current house, was built in a place called Grisleymire lane, which once won a prize on "Nationwide" in the '70s for having the quirkiest name in the north-west. We were never flooded, but perhaps that is another story—it was probably because the Kent silted up.

I have two more quick points to make arising from my experience these past few days. My great concern is that residents and businesses will have their insurance premiums hiked up or their excesses increased to the extent that, in reality, they will become uninsurable. We need to put pressure on the insurance companies, now and in future, to ensure that that does not happen and we do not allow people to become effectively uninsurable. My hon. Friend the Member for Cheltenham (Martin Horwood) rightly pointed out earlier that there is a principle of shared risk, and that must continue. If it does not, the whole principle of insurance is blown away.

I am also experiencing problems with residents, particularly in Burneside, where private landlords are refusing to take the action that they need to take, on the electrics and so on, to make homes habitable. Where homes belong to local social landlords, for example, it is much easier to take action. I want there to be provision for private landlords to be forced to take action to make homes habitable and to take reasonable steps to prevent future flooding.

I mentioned earlier that those areas in my constituency that have been under most pressure, at least in the past couple of days, are, as it were, the business centres of the south lakes area, particularly in Bowness, Windermere and Ambleside. It is worth pointing out that the tourism economy in Cumbria is worth £1.5 billion a year. To the Exchequer, therefore, it is worth some £500 million a year. I spoke to a businessman friend of mine in Grange-over-Sands last night who told me that his takings in the past week had gone down by 90 per cent.—and that is in a town that has not flooded—because the general message being put about out there was that the Lake district and Cumbria are closed for business. I want to take this opportunity to say that we are not.

If the Government are coming up with money—I would encourage them to come up with yet more funds to support us in this endeavour—they could spend that money successfully and profitably by investing it in the marketing and development of the Lake district and Cumbria brand over the next few weeks. Cumbria Tourism has an annual budget of just £1 million per year—annual budgets tend to be per year. That is clearly inadequate, full stop, but it is absolutely inadequate for trying to rebuild the reputation of a part of our country whose economy has been enormously damaged by the devastation of the past few days. We need to be able to sell our communities and our tourism product, especially in the run-up to Christmas, and we would appreciate some financial support in order to do that. The Exchequer would get more than its money's worth if it were to invest £10 million or £20 million in marketing for Cumbria, because of the benefit to the Exchequer of tourism.

I also want to emphasise the importance of the uplands. One of the reasons that Kendal did not flood more seriously than it did was the work of the upland farmers in the Kentmere valley. We need to look at the role of the uplands in the retention and storage of flood waters. We have the fastest falling water in the country. The source of the river Kent is only about 15 miles away from the sea, and it can fall extremely rapidly, as we have seen in the past few days. It falls rapidly at the best of times.

We need to invest in the work that upland farmers do to disperse and contain the waters in the uplands. They have done more than almost anyone else to protect our towns and villages in Cumbria from flooding, yet they are an endangered species. Only two weeks ago, Natural England released a report entitled "Vital uplands: Natural England's vision for the upland environment in 2060". The reality is, however, that hill farming could be dead by 2020 if we do not act soon. The average income for a hill farm is £5,000 a year, and the average age of a hill farmer is 59. You do not need to be a genius to work out that that income base makes it unlikely that the profession will continue for much longer, yet the economic, environmental and social value of those people in Cumbria is immense, and we need to support them and pay them for the work that they do.

I pay tribute to the emergency services—the police, the fire and ambulance services, the bay search and rescue and mountain rescue teams, the coastguards, the Royal National Lifeboat Institution and all the others who have made such immense efforts over the past few days. It is important to point out that many of those agencies are voluntary in nature. In particular, the equipment and vehicles that the mountain rescue service has been

[Tim Farron]

using to save lives and protect and rescue people over the past few days will have been paid for by voluntary donations. The service also has to pay VAT on those donations, and pays vehicle excise duty. Across England and Wales, however, the cost to those volunteer mountain rescue teams is less than £200,000 a year. If I could ask the Secretary of State for one additional thing—it would not require any legislation—it would be to reimburse the mountain rescue teams that relative pittance of £200,000. So far, the Treasury has refused to do that, but it would represent an immense vote of confidence and be seen as a thank you to the communities of Cumbria that are struggling so manfully at this time.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next hon. Member to speak, may I inform the House that six other hon. Members are seeking to catch my eye. We have just over an hour left, so if everyone is going to get in, hon. Members will have to think about the timing of their speeches.

8.23 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I am pleased to be able to speak in this debate on energy and climate change. These subjects are particularly important as we approach the Copenhagen summit. If we needed any reminder that Governments must act to tackle climate change, surely witnessing the events of the past week in Cumbria will confirm that. I want to join other hon. Members in expressing my sympathy for the constituents of the hon. Member for Westmorland and Lonsdale (Tim Farron) and the other people of Cumbria for what they have suffered in the past week. I also want to pay tribute to them for the fortitude with which they are tackling the clean-up operation.

I am fortunate in having a number of projects in Durham that are seeking to remind people not only about climate change but about the ways in which all communities can begin to take action to tackle it. Last Friday, I attended an event in Durham organised by Professors Lena Dominelli and Phil Gilmartin and other staff from the energy institute at Durham university. That is an important institute, which receives funding from the Government and other bodies to develop new green technology and to seek ways in which that technology can be applied in the energy sector. The institute is therefore very important for the future development of green jobs in the north-east region and in the country as a whole. It also does significant work to transfer technology overseas.

We are extremely lucky to have the institute in Durham. I am particularly pleased that its academic staff are taking time out of their busy schedules to work with local businesses and community groups to make them aware of the measures that are readily available to be used in homes to reduce energy use and to save money. The response from members of the local community to the measures described and made available to them was really positive.

That backs up the recent poll that was carried out for the Department of Energy and Climate Change, which found that, once the issues had been explained carefully, 74 per cent. of people would take immediate action to change their lifestyles if they knew that that action would affect their children's or grandchildren's lives. We have not always made the case for bringing climate change down to the individual level or for making it absolutely clear to individuals and communities what action can be taken in the home to help the Government and others to tackle climate change. I also want to pay tribute to Climate Durham, an umbrella organisation in my constituency that seeks to raise public awareness about climate change, and to make the link between the global issue and local and individual actions.

I am also pleased that Government projects are supporting technological development, and we need to do much more of that. If we are to have the necessary energy and renewable energy sources for the future, we must keep investing in the technology. I am pleased that the north-east has recently received public investment not only to develop wind turbines and, critically, wind turbine manufacturing, but to extend the use of solar energy and further to develop photovoltaic cells.

The Government, as well as other bodies, have also supported an interesting project in Teesside involving a feasibility study to see whether household waste could be converted into an energy source. Just now, we are awaiting news about whether the expansion of carbon capture and storage will be extended to the north-east. Of course, I make a special plea for that to happen. Several Members have spoken today of the need for CCS. We know that we are going to continue to use coal as an energy source in this country and elsewhere for some time into the future, and it is therefore important that we have carbon capture and storage measures in place to make coal a much greener energy source.

I particularly welcome the Energy Bill in the Gracious Speech and it is important for it to get through the parliamentary process in time. I am also pleased that there are measures in the Energy Bill further to tackle fuel poverty. The Government have done much—they have gained little credit for it today—to reduce energy use through better insulation, which has been achieved through a number of measures. The obligation on energy suppliers, CERT—the carbon emissions reduction target—has helped insulate about 6 million homes already, and the scheme is being extended until 2012.

Warm Front, which has received some criticism in the Chamber today, has carried out extensive work in my constituency. The number of households that have already been assisted is 4,691, with a further 991 households receiving help with heating. The total value of that work is almost £4 million, which in the main has been money well spent. A number of my constituents have been very pleased to receive extra insulation as well as, in some cases, a replacement boiler.

Warm Front is also carrying out a project on income maximisation, ensuring that people on low incomes get all the benefits to which they are entitled. I am pleased that the scheme operates in my constituency. Nationally, 2 million homes have been helped through Warm Front. A number of homes have also been updated with insulation and new boilers through the implementation of the Government's decent homes standard—again, not much mentioned today. In total, a very large number of homes have already been helped to reduce their energy costs through better insulation. I accept, however, that a lot more needs to be done.

I hope that the Government will achieve the goal of carbon-neutral buildings very much in advance of their 2016 target for homes and their 2019 target for commercial premises. What we know about global warming and climate change presses us to take action to bring about carbon-neutral or carbon-zero homes and premises much in advance of those dates.

I am pleased that £10 million has been set aside for the low-carbon communities programme and the low-carbon communities challenge. I am certainly pressing my local authority to put in a bid in partnership with our local communities for a slice of that fund. It is important to seek ways whereby local communities can really look at what works best in the local area in producing more sustainable communities. Although he is not in his place at the moment, I pay tribute to my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) for saying that sustainability is the key issue for this century. I hope that the Government will continue to press forward on all issues relating to sustainable communities.

It is really important that the public sector takes the lead in promoting and adopting measures to reduce climate change, but in fairness, the private sector has a huge role to play, too. I would like the private sector to do much more to bring about a reduction in energy costs for my constituents and to produce exemplars of carbon-neutral buildings. We just have not seen enough of them. In that regard, we should press the private sector as well as the public sector.

I want to say a few brief words about Copenhagen. The press reports about it have been quite pessimistic, but I hope that other countries will follow the Prime Minister's lead not only in attending Copenhagen, but in actively pursuing a new global deal on reducing carbon emissions. This really is the key issue of our time.

While I am on my feet, let me briefly speak about a few other measures in the Gracious Speech that I believe are worthy of mention. I am very pleased that the Government are at last considering the difficult issue of social care and are seeking to bring forward the Personal Care at Home Bill. That will mean that, from October, more than 275,000 of those with the greatest needs will be protected from charges and top-up fees for care in their own homes. I hope that everyone will get behind that measure.

I am also pleased that we are getting to the final stages of the Equality Bill and it looks as though it might manage to get through the parliamentary process. It will introduce a new public sector duty to narrow the gap between rich and poor. It is a radical measure, and I find it disappointing that the policy that it represents has received so little attention from the media. It is critically important, because it makes it clear that we will be serious about reducing inequality. It will also ban age discrimination outside the work force, and will introduce reporting on gender pay in the case of large employers.

The agency workers regulations will ensure that agency workers are given treatment equal to that given to permanent staff when they have been employed for 12 weeks. The Cluster Munitions (Prohibitions) Bill will implement in United Kingdom law the convention on cluster munitions, which bans the use, development, production, stockpiling, retention and transfer of cluster munitions.

I could go on, but what I am trying to make clear is that the Gracious Speech contains a number of measures that are genuinely necessary. I find it very disappointing that Opposition Members have described a number of those measures as a waste of time. I cannot see how legislation to fund care for the elderly, tackle fuel poverty, deal with child poverty and ban cluster munitions—let alone further measures to regulate the banks—can be a waste of time, and it is truly astonishing that it should be described as such.

I am also dismayed by the fact that some Opposition Members could do anything but accept that the Flood and Water Management Bill is absolutely necessary. Last Wednesday my Durham constituency was almost flooded following a very serious series of floods in July. I believe that my constituents would be astonished that so many Members have said—possibly outside the Chamber—that the Bill is not necessary. I know that Northumbrian Water has done a huge amount to reduce the incidence of flooding in my constituency, but more needs to be done, particularly in co-ordinating measures to prevent and deal with floods. I am therefore very pleased that the Bill was included in the Gracious Speech.

I was—again—astonished to hear some Opposition Members say that they hoped that some of the Bills would be blocked in the House of Lords. I think that that is absolutely dreadful: apart from anything else, it undermines our democratic mandate. I hope that all Members will back the important measures in the Gracious Speech.

8.38 pm

Mr. Hugo Swire (East Devon) (Con): I shall be astonished if some of these rehashed announcements and Bills go anywhere in the time left to the Government. In fact, I share the astonishment expressed by the hon. Member for City of Durham (Dr. Blackman-Woods), but it is not astonishment about the cynicism of the Opposition; it is astonishment about what was not in the Queen's Speech.

I find myself—unusually—slightly agreeing with the leader of the Liberal Democrats, the right hon. Member for Sheffield, Hallam (Mr. Clegg). I am not at all sure that there was need for a Queen's Speech at this stage. From where I am standing, and from the viewpoint of the part of south-west England that I represent, there seems to be little in the speech that relates to us. It is not surprising that, in responding to a recent ICM poll, a sizeable majority—66 per cent.—said that the Government cared more about issues affecting urban people than about those affecting people in the countryside. Everything that I have seen in the Queen's Speech only goes to support that. Given the number of vegans on the Government Front Bench, I suppose I should be grateful that Devon's cow population did not come in for an attack on carbon emissions.

I should say in all fairness that, in the run-up to Copenhagen and following the recent tragic events in Cumbria, it is right in a sense that we have concentrated on flooding and flood prevention. However, the debate has been interesting in other respects. In my view, the best contribution so far—I say this in a non-partisan way—has come from a former Minister, the right hon. Member for Croydon, North (Malcolm Wicks). He

[Mr. Hugo Swire]

talked of energy security, which is or should be of real concern to us all. I wonder whether the Secretary of State could let us know when the right hon. Gentleman's report to the Prime Minister will be available to us, whether there will be a copy in the Library, and indeed, whether there will be an opportunity to debate what I believe to be an extremely serious issue.

The Government have had 12 years—it is difficult to believe some times—to deal with energy security. We have heard that France, by law, must have 125 days' worth of gas holdings. We have less than 15 days. Germany has 99 days; last year we were down to as little as four days. That is irresponsible and clearly unacceptable.

We have heard about the energy deficit. Even if we pressed the start button tomorrow, no nuclear power station could be built until 2017. Yet I believe that the Government are not doing enough to explore the finite resources—they are still there but are more difficult to get at now—in the North sea. I would welcome the Secretary of State's comments about whether the encouragement given to drilling companies to explore in the North sea is going as it should be.

We heard about alternative energy and tidal wave power. There is a very good project in Plymouth financed by the South West of England Regional Development Agency to have a tidal wave power machine put off Hayle in Cornwall. It has not happened yet and it is a wonderful and exciting piece of technology, but we should not be relying on a piece of technology that remains unproven.

We have heard about offshore wind farms. I am very keen on offshore wind farms but I remind the Secretary of State that we have just had the Marine Bill. In Committee I asked how we brought onshore the energy generated by tidal wave power. My hon. Friend the Member for Beckenham (Mrs. Lait) mentioned judicial review in terms of the new generation of nuclear power stations. I think there will be judicial review every single time we try to extend the national grid and bring in these wires to highly sensitive areas.

It is clear that the UK is still lagging behind in the use of alternative technologies. We do not have enough electric charging points, particularly in the capital city. We are lagging well behind Japan and the US in investing in new green technologies. We should be doing more to deal with battery disposal.

I urge the Secretary of State to go the United Arab Emirates, if he has not done so; I declare an interest as the chairman of the all-party group. In Masdar, they are seeking to create the first carbon-neutral city and to attract other high technology industries there. They are doing some incredibly good work from which we could learn.

I do not want to detain the House as others want to get in, but I want to talk about fuel poverty and flooding. On the Energy Bill, the Government have said that they will give a greater amount of help to the poorest and most vulnerable. But they had said already that they would end fuel poverty by 2016. How will they reach that target given that nearly one in four households—16,000 households—in East Devon is currently in fuel poverty? The Government's current schemes give very little help to rural areas. The community energy saving programme has very few designated areas that are in rural England because fuel poverty is so dispersed in rural areas. It is dispersed and disguised and we need to do more about that.

On flooding, it is heart-wrenching to hear the reports from Cumbria. I can empathise somewhat; we have had similar problems in my part of the world. Indeed, on the River Dart we had the tragic death recently of the canoeist Chris Wheeler, to whose family I send my condolences. I welcome the Flood and Water Management Bill. The draft Bill needs some attention and there are some things in it that we need to debate and change but it is timely; indeed it is overdue. I was with the Environment Agency a few days ago in Devon where we were looking at maintaining banks. Its representatives were telling me how it was encouraging farmers and landowners to undertake deeper ploughing—another practice that has gone by the wayside in recent years—in order to try to hold deeper water. Whatever happens, there will be a trade-off between the farmers, the landowners and the EA, because we cannot just flood huge areas without compensation and discussion; that needs to take place if things are to work at all.

The south-west has the second highest number of properties at significant risk of flooding, with 86,000 under threat. I agree with the chairman of the EA, Lord Smith, who said:

"More people have lost their lives from flooding than have from terrorism in England."

We therefore must take flooding extremely seriously.

The emergency services have done excellent work in the last few days, and I pay tribute to them; they do a magnificent job time and again. I am, however, concerned about preventive aspects in relation to flooding, the co-ordination of different Departments, and the amount of money that is spent in different areas. We have heard today, in a completely non-political way from Members on both sides of the House, of the continuing concern about England being concreted over. In my part of the world, there is concern about the proposed new development of Cranbrook near Rockbeare, as that will arguably be built near, or adjacent to, a floodplain. It may not have flooded for many years, but given the way the climate is changing and its unpredictability, is it wise, as part of a regional spatial strategy—something we are committed to getting rid of—to build a brand-new town if there is any question of it being subjected to flooding at any time?

We are miles behind other countries in terms of the housing we build. In the low countries, such as the Netherlands, houses on stilts and houses that can float are being built. It is difficult to believe that we might need to look at what other countries are doing, but we clearly do. I would welcome hearing the Secretary of State's views on how far we will need to go down that road to address not the problems of today, but the unpredictable problems of tomorrow.

I shall end by making a plea on behalf of my part of the world. This ties in with climate change, and trying to get people around the place in an environmentally sustainable way, and trying to get the local economy going. If I had sufficient time, I would like to address many of the myriad other issues that plague those of us who live in rural areas, but I shall, for now, make a plea about Devon's roads. We have a lot of them: we in

Devon have 8,000 miles of roads to maintain—3,000 more miles than any other authority. It is a huge road network. We beat the Liberal Democrats to win Devon county council in the local elections in May. In the run-up to the election, the Liberal Democrats pledged £2 million to fill potholes, but nobody will be surprised to learn that when the Tories won and looked at the books, we found that there was absolutely no provision at all for spending money on filling in the potholes. This is a huge issue for Devon's economy. Almost 8,000 miles of roads are enormously vulnerable to environmental change. They are vulnerable to flooding, for example, as they get washed away on a regular basis. I ask the Secretary of State to bear in mind Devon's special situation when it comes to the maintenance and repair of our vital infrastructure.

I welcome certain measures in the Queen's Speech, although some of them have been announced before. However, if we take out flooding, there is very little for the rural communities, who have felt abandoned for so long by this Government. That is the case even in respect of the Bill on communications. At first sight, it looks as though it is legislation

"to ensure communications infrastructure that is fit for the digital age".

Some of us thought that might mean that we would finally get broadband access in remote and rural areas, but it transpires that this is in fact a new enthusiasm of Lord Mandelson that is more to do with copyright protection than extending and rolling out the broadband network, which was promised years ago by Tony Blair, but which has not materialised in many areas.

Tonight should be about Copenhagen and about flooding, however. Again, I express my sympathies to the people of Cumbria, but please let us not forget that we in Devon have tremendous problems ahead of us, and we need a Government who are prepared to support us.

8.50 pm

Chris McCafferty (Calder Valley) (Lab): I apologise for not being in my place at the beginning of the debate, Mr. Deputy Speaker. I did apprise the Speaker of my being unavoidably detained by a Minister of the Crown.

My right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), who, unfortunately, is not in his place, talked about the centrality of social justice and sustainability to the debate in Copenhagen. He was right to do so, and I intend to talk a little more about those issues. It has taken a long time for us to recognise that local decisions have a global impact, but it has become impossible to ignore the reality. Humans have always changed and been changed by the natural world, but the prospects for human development now depend on our wisdom in managing that relationship.

As my hon. Friend the Member for Bassetlaw (John Mann) said—unfortunately, he is not in his place either—one of the key factors will be population. I think he might have said that that is the elephant in the room—well, I like elephants! The global human population has more than doubled since 1960, with the growth mostly taking place in the poorer countries, but consumption expenditure has more than doubled since 1970, with the increases mostly occurring in the richer countries. During this time, we have created unimaginable wealth, yet half the world still exists on less than $2 a day.

Population and the environment are closely related, but the links between them are complex and varied, and they depend on specific circumstances. The key policy questions must be how to use available resources of land, energy and water to produce food and shelter for all, how to promote economic development and end poverty so that everyone can afford to eat and, in doing so, how to address the human and environmental consequences of industrialisation, energy consumption and the loss of biodiversity.

Understanding the ways in which population and the environment are linked means examining not only how affluence, consumption, technology and population growth interrelate, but previously ignored social concerns such as gender roles and relations, political structures and governance at all levels. The relationship between the environment, population and social development is now much better understood and there is broad agreement on the means and the ends. The Copenhagen summit is our opportunity to implement those means and to achieve the ends. Achieving equal status between men and women, guaranteeing the right to reproductive health, and ensuring that individuals and couples can make their own choices about family size will also help to slow population growth rates and reduce the future size of the world population through choice. When given choice, women tend to have fewer children than their mothers did; they want more for their children, but not necessarily more children.

Among other things, slower population growth in developing countries will contribute measurably towards relieving environmental stress and promote sustainable development. I do not believe that there can be sustainable development unless women are in charge of their own fertility. The programme of action of the 1994 international conference on population and development was agreed by 179 countries and there was a consensus that there should be universal access to reproductive health by 2015. Last year, the United Nations finally agreed that that should be a new millennium development goal target under MDG 5, which relates to maternal health. We are so far adrift on that MDG that the Prime Minister has said that we are not likely to achieve it until 2165 at the present rate.

Changes in the size, rate of growth and distribution of human populations have an enormous impact on the environment and on development prospects. We know that people and human activity are altering the planet on an unprecedented scale. More people are using more resources with more intensity and leaving bigger footprints on the earth than ever before. That is borne out by statistics that 10 years ago were just a matter for conjecture.

We have increasingly seen hurricanes, landslides and floodwaters. I want to add my expressions of sympathy to the people of Cumbria. The hon. Member for Tewkesbury (Mr. Robertson) talked about how difficult it is to imagine the devastation that floodwaters bring. Unless one has seen it, it is inconceivable. I know that because we have suffered immense flood trauma over many years in my constituency. I want to thank our Government for investing £40 million in five phases of the flood defence work in the upper Calder valley that has made an immeasurable difference to the people who live there. It is not just about homes, but about jobs. In a semi-rural area such as mine, we cannot afford to lose one job. When companies are constantly flooded, they

[Chris McCafferty]

think twice about whether they want to remain and to keep investing in the local area. I am very grateful for that investment and I have to say that every time there are flood warnings, we hold our breath. This time, we held our breath and the flood defence system worked. Not one single home has been flooded.

I also want to congratulate the Government on making it possible for the Environment Agency to do riparian work on the banks of rivers where it was unable to do so in the past. Of course, absentee or unknown owners meant that riverbanks were not reconstructed, and that just added to the dilemma. That was certainly the case in my constituency, where there is a confluence of two rivers and a canal to boot, as well as some very steep-sided hills. Now that the Environment Agency can search out those landlords and retro-charge them, that is making a big and important difference in my area.

We know that wet areas are becoming much wetter and dry areas are becoming dryer. El Niño and the Asian monsoon are becoming more extreme and unpredictable. Inevitably, areas that are already affected by famine will be growing less food while many of the richer lands will grow more. Many continental coastlines are also at risk and contain much larger populations. These regions are already home to half of the world's population and they have population growth rates that are double the global average.

It is very clear that the activities of the 20th century have set us on a collision course with the environment. We now have to decide what we can and what we must do about it. The British are well known for our ingenuity, which has got us a long way in the past. I welcome the Government's thinking out of the box on climate change, especially with the low-carbon transition plan. We need to concentrate on how we can apply that ingenuity in the future so as to ensure the well-being of human populations while still protecting the natural world. How can we protect and promote fundamental values such as the right to health and human dignity while providing for sustainable development at the same time? We know that sustainable development is based on a balance between the three pillars of economic development, social development and environmental protection. As my right hon. Friend the Member for Kingston upon Hull, East said earlier, development cannot be sustainable without social justice.

While the rich 20 per cent. of the world's population consume 80 per cent. of the world's resources at a completely unsustainable rate, some 3 billion people struggle to survive on less than $2 dollars a day without adequate access to education, health care, food, water, sanitation, shelter, decent employment or, as we heard earlier, clean energy sources—or, ultimately, to a liveable environment. Poverty must be acknowledged as a serious threat to humanity and our planet and the fact that many children and their children will be condemned to a life of abject poverty, starvation, illiteracy and ill health is inhuman, unjust and unacceptable in the 21st century.

Finally, it is widely acknowledged that this country is a world leader in family planning and sexual and reproductive health rights. Population is definitely an issue in relation to climate change, as my right hon. Friend the Secretary of State acknowledged in his reply to my question on 5 November. Therefore, I ask the Government to take a lead at the Copenhagen conference, as international agreements and national policies on climate change are much more likely to succeed in the long run if they take into account population dynamics, the relationships between the sexes and women's well-being and access to reproductive health services and opportunities. I hope that the Government will take advantage of their lead position in the world on these issues to do just that.

9 pm

Mr. Brian Binley (Northampton, South) (Con): I want to raise the issue of the strategic balance of our future energy policy, which I feel that we have got wrong, but I shall first pose three questions. First, does our strategy for a low-carbon economy, which places such a heavy burden on the nation, put too much emphasis on alternative energy sources to the detriment of a robust and sensible approach to fossil fuels? Secondly, has politically correct thinking forced both the EU and the Government to create a strategy incapable of achieving its built-in targets? Thirdly, will we be able to produce the energy that we need to keep the lights on and the country working?

Those are the questions that we should ask of our future energy mix and the strategy that we are using to achieve it, so let us look at the facts. On 26 June, the Prime Minister unveiled the Government's strategy for building a low-carbon economy. It involves building 7,000 wind turbines, 4,000 on land and 3,000 offshore, by 2020. In addition, there is to be a mix of microgeneration, tidal and wave power and other forms of alternative energy.

The strategy will be expensive. The Climate Change Act 2008 will cost Britain £18 billion a year, or £720 for every household in the country from now until 2050. That is quite a price, and it must produce a viable return. I am delighted to say that nuclear power will figure prominently in Britain's future energy mix. I welcome that, but I am deeply concerned about the role that wind power will play.

We all know that onshore wind power is pretty universally disliked. I do not know whether that is true in the Secretary of State's constituency, but it is pretty true in most of the constituencies that I go to. More importantly, onshore wind power is the section of the strategy that many people think is unworkable. It is certainly massively expensive, and some say that it simply panders to the fashionable end of the green lobby.

The strategy is, at heart, a built-in conflict between renewable and non-renewable energy. The balance between the two is out of kilter and needs to be reassessed quickly. Many experts have stated that we will never be able to build the 7,000 turbines by the target date. Whether we have the available construction capacity is doubtful, as is whether there is the political will to allow the challenge to be met. Even if we did manage to build the turbines—and, given the time frame, offshore turbines will be a particular problem—they will not produce the energy that we will need when we need it and at a cost that we will want to pay. We must face up to that problem.

The second problem with regard to wind is that Britain will still require considerable conventional electricity generating back-up, as wind fluctuations mean that

turbines often have spells when they produce little electricity. "Peak demand" means exactly what it says. It is no good telling industry to wait until the wind picks up. International business waits for no man and will soon go elsewhere if we fail to deliver on time.

Is back-up a real problem? Mr. Paul Golby, chief executive of E.ON UK, has stated that we should require conventional back-up capable of producing 90 per cent. of wind turbine capacity. What is the point of that? It is like having 10 subs on the subs' bench, all of equal ability to the players on the pitch. Very few football teams can afford to do that—

Edward Miliband: Chelsea.

Mr. Binley Except Chelsea; the Secretary of State is absolutely right. It can afford to do so because it is so flush with Russian oil money that it is untrue. A good example!

We face another problem: the closure of much of the current electricity generating capacity over the next 10 to 15 years. Most of our nuclear power stations, and half our coal-fired power stations, are due to be decommissioned, thanks to the EU's large combustion power directive, which is about controlling emissions. Consequently, we will not have the resources to provide adequate, conventional back-up capacity, despite the Government's welcome acceptance of the need for nuclear power and the onset of new gas-fired capacity. The required back-up just will not be there, and that makes nonsense of the Government's reliance on wind turbines for such a sizeable proportion of the nation's energy requirement.

Why not allocate more resources to nuclear power? The simple but disturbing answer is that that would not be permitted under the EU's 2008 renewable energy directive, wherein Britain has agreed to meet 15 per cent. of its energy consumption from renewable sources by 2020. We could have fought our corner, and battled against the nonsense, but perhaps the Government hoped that the previous Prime Minister would become President of the EU, and so did not want to rock the boat. Who knows what the reason is? The Government certainly did not fight the issue. In fact, many experts now tell them that on the question of wind power, they have got it wrong.

Martin Horwood: Will the hon. Gentleman join the Liberal Democrats in supporting a European super-grid, which could connect this country to Scandinavian hydro power, for instance? That would be an extremely flexible back-up in the case of any intermittency that he might find in wind power, and it is entirely clean and renewable. Of course, it would require a certain amount of European co-ordination, with which he might not be entirely comfortable.

Mr. Binley: The Front-Bench spokesman for the Liberals consistently tries to take every opportunity to thrust his party's policy down our throat, but I have a better alternative, and I will tell him what it is in a minute.

We have made a commitment to increase our renewables share massively, with the consequence that, with the exception of Malta and Luxembourg, we are faced with the toughest target in the whole EU. One wonders what Malta and Luxembourg have done to deserve that. It gets worse: Britain is likely to carry a disproportionate cost of meeting the EU's 2020 renewables target. Indeed, Pöyry Energy Consulting has estimated that the UK will carry between 20 and 25 per cent. of the total EU cost of meeting a Europe-wide renewables target. That works out at between £150 and £200 per household per year.

To sum up, we probably will not be able to build the target number of wind turbines; in any case, they would not produce the energy required, and even without the much-needed back-up capacity, they would cost us all a great deal of money. No wonder industry and commerce are concerned. The lights could go out, and Britain's energy prices will be higher and less competitive. Industry and commerce will find it harder to sell their goods and services abroad.

What should we do? First, we must not shy away from fossil fuels, but should concentrate on making them carbon-free. Secondly, we must invest in the long-term development of nuclear fusion. I am delighted that the Secretary of State for Energy and Climate Change has found such enthusiasm for clean coal, because I genuinely think that it is a real alternative. My concern, however, is that we are not moving quickly enough. That is the general thrust of my argument. I plead with him to find ways of moving on the whole clean coal agenda more quickly. He has a problem with wind turbines—there is no doubt about that—and we need to find a sensible replacement, which is sitting underneath our feet, and will fulfil 300 years of energy need, provided that we can create the technology in time to make it viable.

That is where I want to end. I have a great deal of respect for the way in which the Secretary of State has changed the whole focus of our energy policy, and I believe that he is committed, as I said earlier, to the concept of clean coal. I simply urge him to put more effort, energy and resources—perhaps by shifting some of the resource that has gone into fashionable wind turbines—into developing clean coal more quickly. The payback for Britain will be considerably greater, and it is one way—just one way—in which we might escape the lights going out.

9.11 pm

Mr. Mike Weir (Angus) (SNP): Many hon. Members have expressed sympathy for the people of Cumbria in the recent floods, and I associate myself with that. However, may I also point out that other areas have been affected, not least the south-west of Scotland, which just shows that the effects of climate change do not respect boundaries? Indeed, I saw on "Reporting Scotland" the other night that the constituency office of the hon. Member for Dumfries and Galloway (Mr. Brown) was flooded.

The most important issue facing the Department of Energy and Climate Change is the Copenhagen summit and the need to reach agreement. I have to confess that I have become increasingly concerned about the outcome, especially if a deal is not made or if the issue is fudged at a future summit. That may well be the political reality, but I fear that there is a serious risk of a sense of hopelessness taking root in the face of climate change. I was interested to note that the recent HSBC climate confidence monitor reported not that people did not believe in climate change but that a significant percentage

[Mr. Mike Weir]

did not believe that there was anything that we could do about it. If that attitude becomes more prevalent, it points to serious difficulties ahead.

We have spent many years, however, telling people that we need to make a deal at Copenhagen. If world leaders suddenly decide that it is not urgent and that it can wait for another year, what sort of message does that send out to the peoples of the world? However it is dressed up, it will be a serious setback for acceptance of the need for strong action to tackle climate change. The Secretary of State for Energy and Climate Change rightly pointed out that we need to discuss the costs of climate change—and, I would add, we must take the opportunity to do so. Out in the country, there is very little appreciation of what an 80 per cent. reduction in emissions means, so there is a huge need for education, because it will have a serious impact on our economy and way of life. I am convinced that most people do not understand the full impact.

On other aspects of the Energy Bill and how they relate to the low-carbon economy, I fully support the Bill's aims of tackling fuel poverty and creating funding for carbon capture and storage. It makes positive moves towards helping people in fuel poverty, including the mandatory introduction of social tariffs, which have long been argued for. Yet again, one group of fuel-poor have been omitted—those who are not on the gas mains and who rely for heating either on liquefied petroleum gas or on heating oil. I, and many other hon. Members who represent rural constituencies, have long argued for action on that. An inquiry by the Office of Fair Trading unfortunately did not produce a positive outcome, but it is a serious issue. There is a great deal of fuel poverty in rural areas, and we need to find a solution. I urge Ministers to look at it again, to see whether we can come up with something to help that group.

As I pointed out in an intervention, although there is provision for information to be passed on, a data-sharing project is still in its early stages. I was interested in what the Secretary of State said about introducing regulations in the next week, and I look forward to seeing them.

I welcome the provisions in the Bill to amend the powers of Ofgem. I have had many vigorous discussions with it in my years in the House on many aspects of its work. I am particularly pleased to see that at long last competition will not be its sole guiding light. In reaching its decisions, Ofgem must take into account both security of supply and climate change. From my experience, I suspect that to put this into practice will require a significant change of culture at Ofgem. I hope Ministers will push for that at the earliest opportunity. The current culture is amply illustrated by reported attempts by Ofgem in effect to undermine proposals for a feed-in tariff. I look forward to debating those issues in Committee.

As an MP for the north-east of Scotland, I want to say something about the oil and gas industry, which is very important to my area. Ministers will be aware that the Select Committee on Energy and Climate Change recently produced a report which brought out some interesting issues on the future of that industry. We are clearly in a state of transition as we work towards a low-carbon economy. The existence of oil and gas off our shores puts us in an enviable position in some respects as we have a cushion during that transition, but it also presents us with a huge challenge. So many people are employed in the oil and gas sector that we need to manage that transition carefully and ensure that the skills developed in the North sea are retained and transferred to new jobs in the new economy. We are presented with the challenge of turning carbon jobs into green jobs.

For the foreseeable future, as has been said by others, fossil fuels will still play a considerable part in our economy. We note in our report that more than 30 billion barrels of oil equivalent have been produced over the past 40 years and a considerable amount remains in the North sea. Witnesses said that between 11 billion and 37 billion barrels remain, which is a significant amount of oil, whichever figure one takes.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Cash transferred to London—

Mr. Weir: Indeed. Exactly how much oil is recoverable will depend on a number of factors, not least the world price of oil.

Mr. MacNeil: Will my hon. Friend give way?

Mr. Weir: I am sorry. Time is short.

Setting the fiscal regime will be extremely important. The oil industry is very concerned about what may come out in the pre-Budget report. It urged Ministers to argue with their colleagues in the Treasury that we need a proper regime to ensure that we get the development of the area west of Shetland, where new thinking may well be necessary if development is to go ahead on a major scale.

It became clear in the course of our report that there are serious concerns also about finance for the North sea, a point that I made in an intervention. The big companies will always get finance—it is not a problem for the likes of Shell or BP—but many of those working in the North sea are much smaller companies operating in smaller fields. Many of them are experiencing difficulty with finance, even from our state-run banks.

We were told in the course of our investigation that of the major UK banks, only Lloyds HBOS, or whatever it now calls itself, operates in the North sea. It became clear that the bank was lending only to existing customers and was not prepared to lend to new entrants into the market. That is a serious barrier to exploiting the riches of the North sea.

A further important point concerns the infrastructure. Much of it is ageing—it has been there a long time—and decommissioning is an issue. That may create a great deal of work, but there is also the problem of the use of that infrastructure if we are to make carbon capture and storage work. As well as getting it working in the coal stations onshore, we have to find a way of storing captured gas. The obvious place for storage is the depleted oil and gas fields and the aquifers under the North sea. To do that, we have to retain the existing structure to enable us to pump the gas out to the North sea. We must have a fiscal regime that allows the companies that are no longer using much of that structure for its original purpose to maintain it to ensure that it is available for carbon capture and storage. Again, I urge Ministers to make that important point to their Treasury colleagues.

The Energy Bill includes much about carbon capture and storage, and Ministers have told us today that we are world leaders in it. I have talked many times in this House about the Peterhead project. It would have given us world leadership in CCS, but, because of this Government's typical dithering, we lost it, and it is no longer true to say that we are world leaders in CCS. Ministers talked about the potential to export it to developing countries, and that may well be true, but the Library has produced an interesting note on CCS. It considers what is happening in other countries and states that China has one of the world's few commercial CCS operations, at Huaneng Beijing co-generation power plant. China is, in fact, ahead of us in many ways, and, unless we move quickly and get CCS working, rather than exporting technology to developing countries, we may have to buy it in.

We have heard a lot about people who complain about wind farms. My good friend the hon. Member for Northampton, South (Mr. Binley) talked about that, and there are difficulties with many such sources, so we cannot assume that there will not be difficulties with CCS. A few months ago, I, along with other members of the all-party offshore oil and gas industry group, visited a CCS project run by Total in Pau, southern France. All over the surrounding countryside, there were large signs protesting against the development of CCS in that area, so that is something else to worry about and another reason to move fast, to get the work under way and to ensure that we have CCS. Only with that will we be able to develop our coal resources, create jobs by linking coal with existing North sea infrastructure and ensure that we have clean energy and do not need to rely on the disaster that is nuclear power.

9.22 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): It is a privilege to participate in what has been a popular and very interesting debate. I begin by trying to strike a note of empathy and understanding with the Government Front Benchers, because the past 12 years have, indeed, thrown up a complex, dynamic and changing energy scenario to which Ministers, policy makers and regulators have had to respond. At times, the challenges have appeared extremely difficult, and the UK faces a number of specific and profound tests.

In an excellent speech, the former Minister, the right hon. Member for Croydon, North (Malcolm Wicks), described very well one of the biggest shifts in the past 12 years. He explained how the UK has moved from being largely self-sufficient in energy to being increasingly reliant on imports. I shall not rehearse all the data to which he referred, but he described them very well. I shall, instead, draw the House's attention to the change in the gas situation, because the move to import reliance has been very pronounced, and this year the UK will probably rely on imported sources for about 30 per cent. of its gas requirements. The UK relies on imported sources for about two thirds of its domestic coal requirement.

Linked to increased import reliance is, of course, energy security, and in this country that issue has received more attention in recent years than at any time since the pre-North sea oil days. The right hon. Gentleman's speech typified how, for some, energy security has a strong geopolitical dimension: it is about Russian pipelines and the stability of fuel supplies from the Gulf region. However, I urge caution on that paradigm. The former Minister described imported gas from Norway as good, democratic, human rights gas. He did not describe what imports from Russia or Qatar would be, but the House understood the implication. I urge caution on automatically regarding as inherently unstable energy imported from any country other than a stable western European democracy.

The House should not forget that during the deepest, darkest days of the cold war, when millions of troops and missiles faced each other across central Europe, the USSR still supplied gas for central and western Europe. In fact, Russia, formerly as the Soviet Union, has proved itself to be an extremely stable supplier of gas, notwithstanding the recent dispute with Ukraine, which has more to do with internal politics going back to pre-Soviet Union days than with Russia's wider approach to using its domestic energy resources for geopolitical gain.

Much more immediately, energy security is about the resilience of the UK's downstream infrastructure. It is about the vulnerability that was highlighted in 2000, and at intervals since then, in supplies of refined products as a result of blockades or industrial action at oil refineries, leading to panic buying and shortages of petrol and diesel on forecourts. It is about the resilience of the supply network in the face of events such as the explosion at the Buncefield depot, although the supply network coped very well with that disastrous event. More fundamentally, it is about human error and technical failure. Keeping the lights on is as much about bringing new capacity on stream in a timely way as it is about geopolitical developments. Of course, energy security is also about how well the internal EU gas market functions. Recent cold winters have demonstrated that it does not currently function in a way that is particularly helpful for the UK. The Government should be disappointed that they have not achieved more in encouraging European counterparts to move forward faster with liberalising the gas markets.

The most profound shift that has occurred during the past 12 years in the lifetime of these recent Labour Governments has been the emergence of the climate change agenda—a game-changing issue—and the rise of the imperative to reduce the growth of, and if possible reverse, the amount of carbon emissions into the atmosphere. That has been a major shift in the backdrop against which Ministers have had to frame policy. I empathise with and understand the challenges that Ministers have been up against, which include dealing with the drivers of energy policy, market efficiency, security of supply, climate change, and fuel poverty. Those elements do not always hang easily together, and sometimes they conflict, so coherent policy making in this environment is no easy task. However, there my sympathy with Ministers ends. As my hon. Friend the Member for Tunbridge Wells (Greg Clark) said, some of the changes that we have been discussing were entirely predictable; indeed, they were predicted many years ago.

A more purposeful and courageous Government could have made much more progress on these issues during the past 12 years. During that period, what was required was stable, coherent policy making, strong departmental leadership, and clear and predictable signals going to the marketplace and to industry. What have we had

[Mr. Stephen Crabb]

instead? We have had 15 Energy Ministers averaging a span of nine months each in office. We have had two White Papers and a huge number of consultations and reviews. We have had departmental changes, with the alphabet soup of DTI, DBERR and DECC. We have had spectacular policy U-turns, most fundamentally on new nuclear build and on whether new coal-fired power stations should be given the go-ahead without being carbon capture ready. The past 12 years have been wasted, characterised by delays, policy confusion, and the lack of courage of a Government who have at times talked the talk, with good language about the need for diversity of energy supplies and the need for a strong domestic production component.

The fruit of those 12 years of dithering and confusion is that we are becoming more reliant than ever on imported natural gas. In his excellent speech, the former energy Minister, the right hon. Member for Croydon, North, warned about over-reliance on gas. Can he not see, however, that everything that has happened in the past 12 years—the delays, U-turns and policy confusion—has helped to bring about and exacerbate that situation? I remember a debate that we had last year on a similar set of issues in which he described energy security as

"an increasingly important aspect of national security."

He said that he was not

"relaxed about the national security implications"

of growing reliance on imports and that

"the geopolitics of energy are not reassuring...That is why we need to be bold."—(*Official Report*, 22 January 2008; Vol. 470, c. 1461.]

But where is the boldness? If there had been boldness, we would be much further ahead on the new nuclear programme, we would see a much more balanced portfolio of renewables in the UK energy mix, with more wave and tidal power, and we would be much further ahead as regards gas storage.

For the past four years I have tabled written and oral questions, and I have had a Westminster Hall debate on gas storage to try to tease out where the Government's thinking was going and what a sufficient level of gas storage would be for any given level of import reliance. If we are to be 50 per cent. reliant on imported gas, what is a prudent level of gas storage? I have not been able to get clear answers. I have been trying to find out whether the Government believe that the extra storage that we need can be delivered through the marketplace and through normal price signals, or whether we need non-market intervention through a supply stocking obligation. We are no further forward on that.

If there had been boldness in the Government's approach to energy policy, we would be much further ahead on carbon capture and storage. I read the press release that the Department of Energy and Climate Change put out on the day of the Queen's Speech, stating that the Energy Bill would put the UK "at the forefront" of CCS development and that the UK would "lead the way". The Secretary of State said today that "already" funding had been allocated to the first project. It is actually European, not Westminster, funding.

Frankly, I rank those statements alongside those that we have had from the Chancellor of the Exchequer about Britain leading the world out of recession. They are frankly delusional. We can look around the world and see what other countries have been doing on CCS technology. The hon. Member for Angus (Mr. Weir) mentioned Total's work in Pau in France and the work in China, and we could mention what Exxon is doing in Wyoming in the USA. The Government should be far more modest and say that we need to work in partnership with other countries to bring forward CCS technology and make it commercially viable. We are in no position to say that we will be leading the way, because we will need to work in close co-operation with other countries.

The very first parliamentary briefing note that I read after being elected in 2005 was one produced by the Parliamentary Office of Science and Technology on CCS. It had been published in March that year, before I was elected. It stated that it had been the subject of many Government reports and would be included in the forthcoming DTI carbon abatement technology strategy. That was five years ago—it has taken that long to get the first piece of legislation on the matter. We should be much further forward.

I would have liked to speak about the future of the UK oil refining industry, but I have already written to your office, Mr. Speaker, to request time for a debate about that. I have severe concerns about some of the pressures on the nine remaining oil refineries in the UK, but we will leave that matter for another time.

9.32 pm

Nick Herbert (Arundel and South Downs) (Con): This has been a wide-ranging debate. We have heard from a number of hon. Members about the need for energy security, and we have heard differing views about how to drive towards the renewable generation of power. From the hon. Member for Bassetlaw (John Mann), we heard memorably about the dangers of growing mushrooms and the loss of the world's tigers. I am still unclear about the link between those issues.

We heard the Energy and Climate Change Secretary throw down a considerable gauntlet to the Secretary of State for Children, Schools and Families by setting out his own five tests, none of which I can remember, but which I feel sure he will repeat. In spite of his attempt to divide our respective parties, we heard from Members in all parts of the House about the importance of securing an agreement at Copenhagen, the considerable challenge of climate change and the urgency of reducing greenhouse gas emissions in the years ahead.

Mitigating climate change is a colossal challenge for all nations, but as well as seeking to avert dangerous climate change we need to prepare for the changes in our climate that are already under way. Alongside reductions in emissions, one of the key issues at Copenhagen will be how to help developing countries adapt to climate change. I wish to focus on the three critical challenges that the reality of climate change brings, which the modest legislative programme set out in the Gracious Speech does not meet. The first is the need to adapt to a changing climate in the UK. The second is the impact that a changing climate is having and will continue to have on our natural environment, and the role of natural systems in helping us to adapt; and the third is the global resources challenge that arises from population growth and industrialisation combining with climate change.

First, we must face up to the need to adapt to climate change, because there is not a choice between mitigation and adaptation—we have to do both. The climate change projections that the Government published last June warn of the future dangers. By the 2080s, summer temperatures in the UK could be between 3° to 4° hotter and total rainfall is expected to decrease by up to 27 per cent. Extreme weather events such as storms and droughts will be more common. Higher sea levels will bring increased coastal erosion and flooding. Some 5 million properties in England—one in six—are at risk of flooding. Torrential downpours on the scale that we saw last week in Cumbria may be exceptional, but we will see more flash floods as a result of climate change in the decades ahead. That is why it is vital that people are given the tools that they need to defend their communities, and that the Government do all they can to ensure that effective measures are in place to prevent future incidents where possible.

Effective measures also mean passing the right legislation so that the law is clear and responsibilities for flood defence are properly demarcated. We therefore welcome the Flood and Water Management Bill, announced in the Gracious Speech. As I made clear yesterday, my party will back the necessary measures to implement the Pitt review recommendations for flood prevention so that they become law at the earliest opportunity. I join with those hon. Members who have called for a Second Reading for that Bill as soon as possible. We would welcome that.

The legislation must end the institutional confusion over responsibility for flood risk management, and the Environment Agency needs strategic overview of all types of flooding. We are keen to ensure that this does not mean that power is taken away from local communities, or that key decisions over coastal protection are taken away from Ministers accountable to Parliament. We must ensure that the current Bill truly reflects the importance of local decision making to effective flood prevention. We must also make sure that local communities have a strong voice in decisions over priorities for flood risk management and avoid top-down imposition.

However, it is also vital that we address water management issues as well as flooding, because in the decades ahead, resource efficiency, and in particular, the supply and availability of water will be a key concern. By 2050, climate change could reduce the amount of water available by 10 to 15 per cent., when 20 million more people could be living in England alone. Average summer river flows could be reduced by 50 to 80 per cent. by that time. With climate change having a significant impact on supply, we will need to prepare for long dry periods, such as those in the summers of 2005 and 2006, and for potential problems with abstraction as rising temperatures reduce river flows, possibly by as much as 80 per cent. in the summer. The World Wildlife Fund has warned of the impact that this will have, for example, on our chalk streams such as the River Itchen in Hampshire, which I visited recently and which is one of WWF's "rivers on the edge"—those that are already under serious threat from over-abstraction.

On those significant questions, the Bill is notable as much for what is not in it as for what is. The title "Flood and Water Management" implies a greater focus on the water industry than we have in the final Bill. Later this week, Ofwat will announce the final price limits for the next five years, and we will be presented with an opportunity—a break in the regulatory cycle—to tackle some of the challenges that the industry is facing.

Climate change and population growth will put pressure on our water supplies and will increase concerns about affordability and environmental protection. The industry must do more to conserve water itself and help incentivise water efficiency. Changes need to be made now in order to ensure a strong industry and a sustainable supply of water in the future.

Only seven months ago, Ministers committed to bringing forward legislation to implement key measures from the Cave review of innovation in the water industry and we were also promised legislation to implement measures from the Walker review of charging and metering. The final report by the Walker review has not yet arrived, and those measures will not now happen.

Instead of tinkering around the edges, we need innovative reform in the water industry and water policy. Such reforms do not form part of this Bill, so it will fall to the next Government to draw together all the work that has been done on industry and regulatory change to promote the conservation of water and set out real proposals for change.

Climate change is already affecting the health and biodiversity of our natural environment, yet very little has been said about that part of the challenge today. Our biodiversity is in decline. Numbers of birds such as the cuckoo and swift have fallen significantly in recent years, while other species have been lost altogether. As the Royal Society for the Protection of Birds has argued in its excellent "Nature Needs a Voice" report:

> "Whilst the loss of species represents the loss of irreplaceable natural assets, declines in wildlife populations impoverish our lives well before species become biologically extinct."

Internationally, climate change is driving biodiversity loss on a massive scale. This year's assessment of the red list of threatened species shows that more than a third of the species on the list are at serious risk. As climate change takes hold, rising temperatures will lead to fragmented habitats that will affect species population and migration.

The Government's 2010 biodiversity targets are set to be missed, yet there is no plan for how to do better next time. Next year is a key year for international co-operation on biodiversity, with a major UN conference in Japan in October, but just setting targets will not be enough. We will need new leadership and new thinking. That means both promoting new mechanisms to value our environmental assets, if we are going to protect nature's capital, and starting to think in terms of habitat protection on a landscape scale—an approach that the National Trust is exploring.

We must start to identify and then develop wildlife corridors to aid migration, as the wildlife trusts have advocated, instead of relying on isolated reserves. We must also start investing in protecting our ecosystem services that sustain life. That means new incentives both to encourage people and businesses to support conservation and to help local communities to invest in biodiversity through mechanisms such as conservation credits, so that new habitats can be created on the back of development. We need that new thinking because of the scale of the challenge that we face and how precious

[Nick Herbert]

our natural environment is. As the Green Alliance rightly says, Britain's natural environment and countryside, perhaps more than those of many other nations, are an "integral part of Britain's heritage and identity", yet none of that new thinking forms part of the Gracious Speech or the proposals for legislation.

On top of the need to adapt to climate change and protect our natural environment, we have the extra pressure of a global resources crunch caused by population growth and climate change. Professor John Beddington, the Government's chief scientific adviser, has warned of a "perfect storm" in just two decades of food shortages, scarce water and insufficient energy resources, threatening to unleash public unrest, cross-border conflicts and mass migration, as people flee from the worst affected regions. The world's population is projected to rise from 6 billion to 9 billion by 2050, and the UN estimates that global food production will need to rise by 70 per cent. from today's levels.

For us to have a chance to meet that huge demand, the UK must play its part. That means that it should be a strategic priority of the Government to increase domestic food production and maintain our food security, just as we need to maintain our energy security, which hon. Members in all parts of the House have spoken about today. Until recently, however, the Government's formal position was that it did not matter where our food came from. Not surprisingly therefore, the UK's self-sufficiency in indigenous food has fallen significantly in the past 10 years. We need to reverse that trend and produce more of the food that we could and should be growing ourselves.

However, we need to do that in a sustainable way. Meeting the resources challenge in the decades ahead will mean relying on modern, productive agriculture to provide global food security. However, we cannot permit more agricultural emissions in future just because we need to grow more food. That means that we have to prioritise research and development now, in order to improve our management of soil, increase yields and cut emissions without cutting production. We should be sharing best practice and pooling expertise with other countries so that we can find solutions quickly. That is why I said last week that Britain should join the global alliance pioneered by New Zealand to focus on reducing emissions from agriculture.

The challenges arising from climate change are serious, and none of the solutions is easy. However, if we have learned one thing from the past few years, it is that no one can live beyond their means. We cannot live beyond our economic means, but neither can we live beyond our environmental means. The resources of this planet are no more infinite than the Treasury's reserves. We must learn to use them sustainably. It is often said that the first duty of Government is to ensure the security of the people. Adapting to climate change and protecting our natural systems are the prerequisites of ensuring our environmental security. That will mean climate-proofing our policies, creating communities that are resilient to extreme weather, respecting nature's capital and investing in conservation to help wildlife to adapt. It will also mean living more sustainably by reducing waste, sourcing more food locally, generating more renewable energy and using resources efficiently.

Although we must pursue sustainable growth in the years ahead, we must not reject the idea of growth itself. Government policies, business practices and, yes, individual lifestyles will have to change, but the planet that we want to save is surely a world of prosperous, free people where wealth can be shared and opportunity is available to all. So we must be ready to promote the good that will come from making these changes, and talk less about the cost of environmental compliance and more about the opportunities of green jobs and growth. This is what my right hon. Friend the Leader of the Opposition has called the "good future", in which we will all enjoy and truly value the fruits of a cleaner, quieter and more beautiful environment.

The changes that we will need to make in order to ensure our environmental security and that good future are far more profound than the few measures set out in the Gracious Speech. We have an important but limited Flood and Water Management Bill, limited energy measures and limited time. As this Government's life ebbs away, it is clear that only an election and a change of Government will bring the ambition to drive a new green agenda and secure the environmental security that is necessary.

9.46 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): We have had a very interesting and, at times, lively debate. It was opened by my right hon. Friend the Secretary of State for Energy and Climate Change, whom the whole House will wish to thank for his outstanding leadership, together with the Prime Minister, in trying to get that deal in Copenhagen. He was followed by the hon. Member for Tunbridge Wells (Greg Clark), who was not so much disgusted as implausible in what he had to say. On renewables, he said that we had barely scratched the surface. Listening to him, one would never know that this country produced more electricity from offshore wind than any other nation on the planet. Listening to what he said about nuclear, one would have thought that that was the Conservatives' first resort, whereas we know that it was, in the words of the Leader of the Opposition, their last resort, until we led and they had to follow.

On carbon capture and storage, the hon. Member for Tunbridge Wells was unable to say whether he supported the levy to fund the programme that my right hon. Friend the Secretary of State has set out. We now have a policy for no new coal without CCS. On smart meters, 48 million will be a lot to roll out by 2020; that is a huge programme. Despite prompting from many quarters, however, including from the hon. Member for North Southwark and Bermondsey (Simon Hughes), the hon. Member for Tunbridge Wells was unable to tell the House where people would get their £6,500, given that there will apparently be no public support available for that proposal.

My right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) gave us a tour de force, drawing on all his experience in climate negotiations. There is a lot to recommend his suggestion that the world's leaders be locked in a room until they agree on a deal. I agree with what the hon. Member for North Southwark and Bermondsey said about Copenhagen, and he is right that we will need a legal treaty as soon as possible after a comprehensive agreement has been reached.

My right hon. Friend the Member for Croydon, North (Malcolm Wicks) gave a very thoughtful speech that was much enjoyed across the House. I thank him for the work that he has done on energy security and for his report. I am advised that a copy of it is now available on the Department of Energy and Climate Change website.

The hon. Member for Beckenham (Mrs. Lait) and my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) both raised the question of carbon capture and storage. I can tell them that we are working with other countries and trying very hard to take that forward. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) talked about marine science, on which she is of course an expert.

Linda Gilroy: Will my right hon. Friend give us an assurance that the Walker report on metering and charging will materialise soon, preferably before Christmas?

Hilary Benn: The plan is indeed that it should be available before Christmas. We have already had the interim report, but we await with interest Anna Walker's final report.

The hon. Member for Westmorland and Lonsdale (Tim Farron) spoke movingly about the impact of the flooding in his constituency. His expression of sympathy for PC Barker's family will be widely supported. He knows only too well that predicting river flooding is one thing but that surface water flooding is much more difficult to predict, because we need to know the precise topography, exactly how much rain is going to fall on it, and the drainage capacity of the area. That is precisely why—I shall come back to this—the Flood and Water Management Bill will give local authorities the lead responsibility.

Martin Horwood *rose—*

Hilary Benn: If the hon. Gentleman will forgive me, time is very short and I want to respond to the debate.

The hon. Members for Westmorland and Lonsdale and for Tewkesbury (Mr. Robertson) have, sadly, both had direct experience of flooding and they spoke movingly about the spirit and resilience of the constituencies and the constituents whom they represent. I know that that is the best quality their communities have to carry them through these difficult times. Let me assure the hon. Member for Tewkesbury that we will, of course, continue to talk to the insurance industry about how it can help.

My hon. Friend the Member for Llanelli (Nia Griffith), in common with other Members, raised the question of building on floodplains. The latest information we have, as a result of PPS25, is that 98 per cent. of planning decisions are going in line with the advice of the Environment Agency, which is exactly why we changed PPS25 to make sure that flood risk was taken into account.

The hon. Member for Basingstoke (Mrs. Miller) asked about private sewers, but primary legislation is not required in order to effect the transfer. We will consult on draft regulations as soon as possible. In effect, what we are doing is creating a national insurance scheme by passing that responsibility from local authorities—thus relieving them of a cost, so that the money can then be applied to deal with surface water flooding and the other responsibilities put on them in the Flood and Water Management Bill—to the water companies that will pick it up.

My hon. Friend the Member for Bassetlaw (John Mann) made a stirring speech and I probably owe him another letter on the subject of Tunnel Tech, but I think he will find that feed-in tariffs will in part answer the point he raised about the incentive to put small-scale renewable energy into people's houses.

I am grateful to the hon. Member for East Devon (Mr. Swire) for his support for the Flood and Water Management Bill, although I have to correct him in one respect, as there are no vegans on the Front Bench. There will be a new 26th offshore round next year in the North sea.

My hon. Friend the Member for Calder Valley (Chris McCafferty) talked about sustainable population and I thought she made a very important contribution on a subject for which she has been a passionate advocate for many years indeed.

I agreed with half of what the hon. Member for Northampton, South (Mr. Binley) had to say, if I may be generous. He praised my right hon. Friend the Secretary of State for Energy and Climate Change in relation to clean coal, but when he got round to attacking renewables his remarks were very much out of sync with those of his hon. Friend the Member for Tunbridge Wells, who speaks from the Front Bench for the Conservative party. It would be nice to know what the Conservative policy is.

The hon. Member for Angus (Mr. Weir) spoke eloquently and knowledgeably about North sea oil and gas. I agreed with a little of the speech made by the hon. Member for Preseli Pembrokeshire (Mr. Crabb), particularly when he talked about the need for a balanced energy supply.

One phrase used in the debate was seized upon by a number of Members and it sums up the challenges that we face. It came from the words of my right hon. Friend the Member for Kingston upon Hull, East in talking about mass sustainability. In truth, to address the points raised by the hon. Member for Arundel and South Downs (Nick Herbert), he is right about the changing climate and the more extreme weather in the UK.

Let me take this opportunity to give the House an update on the latest information about Cumbria. Rain has fallen during the day and 52 mm has been recorded in Honister. The heaviest rain is expected somewhere between about 54 minutes ago and midnight. The campsite in Keswick now has a flood warning, while Cockermouth and Keswick may need to have further warnings and there could be further property flooding—although not, on current indications, on anything like the previous scale. All are currently warnings as opposed to severe warnings. I can also announce that in the past few days 63,500 automated warnings have gone out as a result of people having registered on the floodline and the warning system. We will, of course, look into particular cases. People will not get a warning of surface water flooding, for the reasons that I set out a few moments ago, but we are trying to develop our understanding.

Martin Horwood: May I pursue the point about warnings of surface water flooding? It was clear even two and a half years ago in Gloucestershire that predictive abilities

[Martin Horwood]

provided by Met Office technology would have allowed more precise predictions of intense rainfall—if only a few hours beforehand—and it is clear now that that predictive capacity has become even more precise in the intervening years. Even a few hours' warning for householders of that level of flooding and heavy rainfall would have allowed an awful lot of property to be saved.

Hilary Benn: I accept what the hon. Gentleman says about our improved capacity to warn. One of the benefits of the flood forecasting centre that was established following Michael Pitt's excellent report is the provision of a unified forecast, including an extreme rainfall alert.

Let me stress that when we watch the weather forecast on television at night and it says "Severe weather warning—heavy rain", all of us who live in an area for which that is forecast need to pay attention. I know that people would like to be told whether the flooding will happen exactly where they live, as opposed to a mile down the road. The Environment Agency and others are trying to improve the level of warning, but that warning means something, and we should all pay attention to it.

The hon. Member for Arundel and South Downs was, of course, right about the more extreme weather and the changes that we shall have to learn to live with. The Flood and Water Management Bill seeks to deal with that. It is a timely and important Bill, which builds on a great deal of what we have done since the 2007 floods. I am talking about increased defences, the protection of Carlisle, better warnings, funding for local authorities to start work on surface water flooding—the Bill will provide a statutory responsibility for them to take the lead on that—a grant scheme for household protection, and better water rescue capability.

I believe that the Bill, which we will no doubt scrutinise carefully, gives clear responsibility in the way that Sir Michael Pitt recommended. It will also—this picks up the point made by the hon. Gentleman—help us to better conserve supplies in drought. It may seem strange to talk about drought in the wake of the last three summers, but the hon. Gentleman was right to draw attention to the two drought summers that we had before those.

Mr. Lilley: Does the Secretary of State share the extraordinary complacency of his right hon. Friend the Secretary of State for Energy and Climate Change about leaked documents from the Climate Research Unit which show that civil servants have been trying to avoid the Freedom of Information Act—which is potentially a criminal offence—have been conspiring to prevent publication of dissenting views, and have been modifying their own data? Would he allow such behaviour by officials on his Department's payroll?

Hilary Benn: I fundamentally disagree with the right hon. Gentleman's accusation of complacency, because that is not what my right hon. Friend said. He said that he was in favour of maximum openness, and that is a view that I entirely share.

The hon. Member for Arundel and South Downs raised the subject of wildlife corridors. That is what the Lawton commission, which I have just established, will consider. Having completed the original list of national parks—I shall return to that in a moment—and having passed the Marine and Coastal Access Act 2009, which is hugely significant for the coherence of the protection of our biodiversity, we do indeed need to look at ways in which we can connect those developments more effectively.

As the hon. Gentleman spoke, I felt that what he was saying reflected the work that my colleagues and I have already done. As he will know, one of our latest actions has been to designate the South Downs the last of the national parks. I was sorry that he described that as the wrong decision, and said that it had been rushed for political reasons. I would simply point out as a matter of historical accuracy that the South Downs national park was first proposed 62 years ago. That hardly constitutes a rush. What it shows is that this party—for it was Attlee's Government who did it—has been on the case for 60 years in protecting our biodiversity. We celebrate the park's 60th anniversary this year.

The Gracious Speech shows that we are still on the case, and I commend it to the House.

10 pm

The debate stood adjourned (Standing Order No. 9(3)).

Ordered, That the debate be resumed tomorrow.

Business without Debate

DELEGATED LEGISLATION

Ordered,

That the Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009 (S.I., 2009, No. 2542), dated 18 September 2009, be referred to a Delegated Legislation Committee.—*(Mr. Mudie.)*

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word '10th' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Mr. Mudie.)*

Hon. Members: Object.

PETITION

Equitable Life (Bexhill and Battle)

10 pm

Gregory Barker (Bexhill and Battle) (Con): I rise to present a petition on behalf of my constituents in Bexhill and Battle who are continuing to suffer from the injustice of the situation regarding Equitable Life.

The petition states:

The Petition of residents of the constituency of Bexhill & Battle in the East Sussex region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying in full with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000415]

King George Hospital (Ilford)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

10.1 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I am raising the very important question of the future of King George hospital, Ilford. Ilford has had a maternity hospital since 1926 and has had a district general hospital since King George V opened it in 1931. I want to place on record my strong support for the record investment in the national health service under this Labour Government and for the modernisation that they have carried out, including the new polyclinic in Loxford in my constituency. I was pleased to meet the first patient of that polyclinic in June.

I also believe that as technology changes, it is important that we have more community-based facilities and services. Unfortunately we should not allow those people who run the bureaucracy of the NHS, and even those who believe they know what is best for our communities, to make decisions that have an intense impact on many poor people in the poorest communities of our country.

Three years ago, the NHS bureaucracy came up with the misnamed "Fit for the Future" proposals, which would have led to the closure of the accident and emergency and the elective facilities at King George hospital, Ilford. A vigorous local campaign was mounted. I myself organised a petition and we presented 28,000 signatures. The local paper, the *Ilford Recorder*, organised its own petition. Other local MPs supported us in that campaign. In 2007, Professor George Alberti produced a report in which he said that the proposals were "clinically unsound" and that those concerned had to go back to the drawing board. He also said that King George hospital should be developed as a first-class local hospital. It took them a long time; there was then a review of health services in London. Eventually, the NHS bureaucracy decided to go ahead with another attempt. I am afraid that because of arrogance and the "we know best" approach the people behind this—whether they are on the clinical bodies or are the "joint responsible owners", to use the jargon—have come up with proposals that do not take account of community needs.

At the time, I asked the chief executive of Redbridge primary care trust, Heather O'Meara, to give me an assurance that the "Fit for the Future" proposals were dead—that they were not going to be revived in some other form. I was simply told that they had been stood down. It seems that they have now been reactivated under another guise. It is true that this time we are to keep elective operations at the King George site, but at the price of losing all our maternity services as well as our accident and emergency functions. At Upton Park this afternoon—as a West Ham United season-ticket holder I am very disappointed that this venue was chosen—a joint committee of inner north-east London and outer north-east London primary care trusts has been meeting to rubber-stamp proposals to go ahead with a public consultation starting on 30 November and running for 14 weeks until 8 March 2010. I understand, however, that for some reason no decision will be taken until after the general election. If this is so urgent, we might wonder why they do not make the decision straight away, or why they do not defer the whole thing until

[Mike Gapes]

after the general election, but this is how NHS bureaucracy seems to work. It is planning to have a consultation, which in my opinion will be about as free and fair as a rigged Afghan election. It is clear that they have not listened to what the community said three years ago. It is now again going ahead with proposals that will significantly downgrade services for people living in Ilford, and that will mean that each year several thousand women who are due to give birth will have to go to Romford. Children will not be born in Ilford any longer, unless they are born at home or in the back of taxis or cars driving them to other hospitals; they will be born in Romford and elsewhere in London.

It is said that this proposal is clinically led, but it is admitted in the small print of the documents that the engagement exercise builds on previous exercises including "Fit for the Future". It is therefore clear that "Fit for the Future", which was rejected because it was financially driven and not clinically sound, is part of the basis of the decisions that are going forward.

This is a hidden agenda to save money, dressed up as a clinical exercise. We have big financial deficits in north-east London. The Barking, Havering and Redbridge University Hospitals NHS Trust has serious management and financial problems. I would argue that most of those problems relate to the expensive private finance initiative Queen's hospital, which has been open for three years. My constituents in Ilford are therefore being made to suffer as a result of problems from the other hospital in the trust.

The documents also say that the proposals are based on "Healthcare for London", which Professor Lord Ara Darzi produced. He talked about a local hospital serving a population of between 200,000 and 250,000 people. Under these proposals, neither Barking and Dagenham, with a population of 182,000, nor Redbridge, with a population of 264,000, will have a local hospital. All other boroughs in east and north-east London have a hospital, but we will no longer have a hospital serving our populations. This is a disgrace. We could lose up to 488 beds at King George hospital, and the consequences would be very serious in terms of added pressure on other hospitals in the region.

I believe that this is financially driven, but interestingly the small print of these documents talks about the proposals saving £19 million a year and a modelling exercise showing that if the accident and emergency facilities at Newham general hospital were closed instead of those at the King George hospital, £27 million a year would be saved. For some reason, the bureaucrats have chosen not to go down that route and that confirms the preconception of the "Fit for the Future" option 4, which was to downgrade King George hospital; even though the financial figures give a different result, they are still going ahead on that basis.

Serious financial deficits are predicted. The deficit for outer north-east London is predicted to be £140 million by 2016-17, whereas the one for inner north-east London is predicted to be £150 million. It is estimated that even with what are described as "aggressive savings", the total deficit for all the trusts and all the health economy will be £140 million, as opposed to £290 million. That is a serious amount of money, but of course there will be some income. If a major acute hospital can be run down, people can sell off a lot of land. There is a lot of land on the King George hospital site that would undoubtedly be prime for housing development, thus adding to the population of Ilford and to the number of young mothers who would have to go to Romford to give birth to their children.

We face a serious problem as a result of these proposals. Members of Parliament have been kept out of the loop on this discussion. The first time I saw any documentation by the primary care trust was when I received an e-mail about 10 days ago supplying me with a document dated February 2009. I saw the documentation that was going to today's meeting only on Friday by e-mail and yesterday in hard copy. It seems that because the elected representatives played such an effective role in stopping the proposals three years ago, we have been deliberately kept out of the process so that we cannot stop the consultation before it starts this time.

I wish to say something about the consultation, because it is based on a certain amount of information being put forward about issues such as travel patterns, how many miles people will have to travel and so on. Interestingly, the bureaucrats are supposed to have produced something called an "integrated impact assessment", which should take account of the impact on ethnic minorities and women, on the carbon footprint and on other matters. Page 23 of their documents admits:

> "The scope of work of the Integrated Impact Assessment (IIA) includes further work on the impact of any changes to distances and travel times. This work will take place during consultation and will be made available via the Health for North East London website".

So they are starting a consultation at the end of November and then halfway through the process they start producing more information for the consultation. Surely the consultation cannot be started until all the information necessary to make it accurate has been provided. This is a bit like changing the party affiliation or the candidates halfway through an election campaign, once the nomination papers are in. This is absurd, but it is typical of the determination of certain people in the London region NHS to go ahead regardless. They want to push this through and to present a fait accompli before the general election but not make the decision until after it.

Harry Cohen (Leyton and Wanstead) (Lab): Will my hon. Friend give way?

Mike Gapes: I will do so briefly, with your permission, Mr. Speaker.

Harry Cohen: This will be a very brief intervention. I congratulate my hon. Friend on being a doughty fighter for the NHS and his local hospital in his constituency, and I express my solidarity with him. Should not the urgent care centre that the PCT says will be at the King George hospital 24/7 be of high hospital standard? Should there not be hospital-standard cancer care, chemotherapy, renal dialysis and other such services there?

Mike Gapes: I am sure that my hon. Friend would not be happy if I suggested that they closed the accident and emergency at Whipps Cross and turned Whipps Cross into a 24/7 urgent care centre. We need urgent care centres, state-of-the- art polyclinics and all kinds of

other facilities, but we also need people in Ilford to have access to accident and emergency and maternity services in Ilford, rather than their having to go to other parts of north-east London.

There are clear grounds for throwing out the consultation process before it is launched and I hope that the Minister is listening carefully to what I am saying. The clinical reference group behind the proposals said that there was a "preferred" location of having obstetric maternity on the same site as accident and emergency. When I met the officials behind the plan last Friday, I asked medical director Mike Gill whether it was absolutely necessary to have an A and E on the same site as an obstetric maternity facility. He said that it was not, and that the closure of the maternity services was not due to the closure of the A and E. The midwifery director, Carol Drummond, took a slightly different view. She was arguing that it should all be on one site together. The documents that they produced admit that

"obstetrics can be provided with no A&E."

That is in the documentation.

If there is a need to have the maternity facilities consolidated in one place, perhaps the King George hospital could be a good site for them—or for most of them, given that about 4,000 children are born at the site each year. The maternity issue raises a serious concern for me, because my constituency has the youngest population in Redbridge, as well as the highest number of births, people from ethnic minorities, people for whom English is not a first language and complicated births because of deprivation, poor housing or genetic factors.

I am concerned about my constituents, who also have less access to cars than those in other parts of outer north-east London. Barking and Dagenham is in a slightly worse position than some of the wards in my constituency, but I have constituency wards where 38 or 40 per cent. of households do not have access to a car. In the wards near Queen's hospital, 10, 15 or 20 per cent. do not have access to a car. The proposal will move the facilities away from the area with the poorest people in the poorest areas, with less access to transport. People will be made to rely on two buses and a train to get to the Queen's hospital in Romford. That is unacceptable. A poor migrant woman from Ilford, South, without access to a car, does not wish to go several miles to a strange environment elsewhere. Those responsible for the plans say that they will encourage home births and that they will encourage the establishment of a birthing centre, but we need a maternity hospital in Ilford.

I also want to say something about the quality of the maternity care. I have a constituent, Mr. Ali Hai. He and his wife had their second child just a few weeks ago. His wife was going to give birth in Queen's hospital but, as he stated in an e-mail:

"I asked the Director responsible for Maternity Care...to be switched to KGH"—

that is, King George hospital—

"because of the state of chaos and the ridiculously long waiting times at Queens".

They waited several hours. He stated that those waits were

"totally unacceptable given that it is responsible for dealing with High Risk Maternity cases."

He went on:

"Had KGH not been there I hate to think of the consequences. Needless to say the attention, care and organisation at KGH was outstanding."

That is the question—will my constituents get outstanding care in future if our local maternity facilities are closed and our local accident and emergency department is taken away? I do not think so.

I have one final point to make. All the data treat Barking, Havering and Redbridge NHS trust as though it were one place, but the trust has two hospitals and it is very difficult to get disaggregated information. The documents that are about to be published should not be published until the information in them has been disaggregated in all respects.

When proposals are made for changes that would affect one of the hospitals in a joint trust, every part of the relevant documents should have a clear breakdown of the data so that people can see what all the costs are. The information should show where the deficits and complaints come from, and where the quality variations are. It may be claimed that the data are not available, but lots of money has been spent on Mott MacDonald's scoping exercise on the assessments, and on consultants. If some money could be spent on getting together the information that I have described, it is possible that a proper consultation could be held.

My local authority in Redbridge is a hung council with a Conservative administration, but Conservative, Labour and Liberal Democrat councillors are all together in being strongly opposed to the proposals. If the local health overview and scrutiny committee were to request a reference to the NHS reconfiguration panel, could that reference be implemented speedily, so that we can stop the consultation exercise? I hope that my right hon. and learned Friend the Minister will be able to answer that. Apart from anything else, stopping the exercise would mean that I would not have to spend the whole of my Christmas collecting another 28,000 signatures to defend my local hospital.

10.22 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): First, may I congratulate my hon. Friend the Member for Ilford, South (Mike Gapes) on securing the debate? He has been a champion of good local health services in Ilford and I have the greatest respect for the dedication with which he serves the needs of his constituents.

I have listened carefully to my hon. Friend's points, and he has spoken to me on a number of occasions to express his very real concerns about how the consultation might develop. He has also spoken to my right hon. Friend the Secretary of State, and I shall certainly look at the points that he has raised.

My hon. Friend asked in particular about a reference to the local health overview and scrutiny committee, and I shall consider what he has said and get back to him. As I understand it, it is normal for a reference via the overview and scrutiny committee to take place at the end of a consultation, but I am not sure that there is any obligation in that regard. I shall check on that and write to him shortly.

I am sure that my hon. Friend will want to recognise the contribution of NHS staff, not just at the King George hospital but across the whole of Ilford and

[Mr. Mike O'Brien]

north-east London. They are constantly striving to deliver better quality health care, benefiting his and other hon. Members' constituencies.

The Government remain absolutely committed to supporting health service staff in the provision of better health services, across London and in the deprived areas of north-east London in particular. We have been consistent in emphasising the value of strong clinical and local leadership so that doctors, nurses and other clinicians, who understand best what their patients need, are at the forefront of shaping the health service locally in the best interests of patients.

However, I of course recognise that any programme of change will generate controversy. Our hospitals are much-loved institutions, to which local people are understandably very attached. The challenge is for the local NHS to explain to patients, the public and their representatives—including Members of Parliament such as my hon. Friend—when change is needed and how proposals will deliver safer and better quality health care. Of course, if it can explain that, and can work through the consultation and get support, that is one thing, but consultation needs to be genuine, and local people need to be listened to.

In recent years, my predecessors have put in place a robust process for the Department of Health, strategic health authorities and primary care trusts to follow to ensure that any proposed service reconfiguration is driven by clinical need, not anticipated financial savings. Such savings sometimes occur, but the primary aim must be to ensure that clinical needs are better met. We are moving into very difficult financial and economic circumstances, and we have to look at all the issues facing the NHS in the context of the situation that now confronts it. It has to ensure that it deals with the problems that we face, rather than the problems that it faced some years ago.

The review in 2007 by Professor Lord Ara Darzi, together with more than 100 leading clinicians, resulted in a series of recommendations for changing London's health services. The Healthcare for London programme sets out a clear direction for the capital's NHS, and was the subject of a wide and extensive consultation with Londoners. Lord Darzi was clear: change must be led by doctors, nurses and other clinicians. There is evidence that, where necessary, specialist services should be provided by clinicians with specialist skills, supported by the latest high-tech facilities. That might be done in a local hospital, a polyclinic hub, a general practitioner's surgery, or even in people's homes, where that is possible. Across London, the NHS is looking at how those arrangements can be put into practice. That involves looking at what the NHS has to offer in a new light, and thinking about how its staff, buildings and resources can best serve patients.

Such issues are rightly always matters for debate; those who seek change need to demonstrate that their case is the right one. The NHS in London is concentrating specialist services in centres of excellence across the city. A Londoner suffering a heart attack will now be taken straight to the hospital providing the specialist care that that person urgently needs, rather than simply to the closest hospital. People will go straight to the experts with the equipment, experience and expertise that can save their lives. Those changes were often difficult. However, they have produced results; it has been shown that people now have a better chance of surviving. Those charged with driving forward the programmes of change all over London are learning the lessons of cardiac care.

As my hon. Friend has said, north-east London is a place of marked contrasts, with a rich cultural and ethnic diversity and a growing population. It has particular transport needs, and particular needs relating to ensuring the highest quality health care. There are many opportunities for improvement in north-east London, and we need to ensure that proposals are properly, and sometimes critically, examined. We should make decisions to ensure that patients get the best possible outcome. Why should out-patients have to travel to a hospital, when they can be treated just as easily and more conveniently in the community or at home? How do people best access primary care? How do people best ensure that when they need to use a hospital, they can get the best quality treatment? All those issues need to be addressed in the broader context.

We need to ensure that any consultation is done properly. My hon. Friend indicated that the committee that met today proposed launching a consultation on 30 November, with a view to it running until 8 March 2010. The purpose of consultation is to gain a better understanding of the views of the local community, and to deal with the arguments put forward on both sides—both for and against any change.

We need to ensure that the debates are conducted in a way that means that the best interests of patients overall are considered. Patients and the public are at the heart of the NHS, and the Government are absolutely committed to that principle. It is important that communities are listened to, which is why I expect the local NHS to demonstrate that any proposals will improve care. As well as improving clinical care for the people of Ilford, the local NHS will need to ensure that it can deliver a financially sustainable platform for the NHS in north-east London. I am sure that my hon. Friend will continue to champion and support health services on behalf of his constituents.

Question put and agreed to.

10.30 pm

House adjourned.

House of Commons

Wednesday 25 November 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Broadband

1. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What recent assessment he has made of the adequacy of broadband coverage in Scotland. [300124]

3. **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): What recent assessment he has made of the adequacy of broadband coverage in Scotland. [300126]

The Secretary of State for Scotland (Mr. Jim Murphy): Scotland and the UK are ahead of most of Europe on broadband availability. However, we recognise that some people still have problems accessing broadband, and that is being addressed through the "Digital Britain" White Paper.

Ms Clark: I thank the Secretary of State for his answer. Is he aware of the particular difficulties in rural areas? I carried out a survey in my constituency recently, and on average 11 per cent. of those who responded said that they had difficulty receiving broadband. In Millport, the figure was 30 per cent. What can the Government do to intervene and ensure that the problem is addressed quickly?

Mr. Murphy: My hon. Friend has raised these issues regularly and campaigned on them, and she is right to draw out the point about people who are locked out of digital broadband for reasons of geography or income—whether in Millport, which I regularly enjoy visiting, or anywhere else throughout Scotland. We are determined that at least 90 per cent. of the country should have access to super-fast broadband, and I am happy to have more discussions with my hon. Friend about how we can ensure that that target is hit in her constituency.

Mr. Donohoe: Does my right hon. Friend agree, however, that Ofcom is perceived as a toothless tiger that requires more powers? I have campaigned on this issue with my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne), my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne) and, indeed, my hon. Friend the Member for North Ayrshire and Arran (Ms Clark). In a letter I received from Ofcom, the regulator states:

"Ofcom does not have the power to mandate ISPs"—

internet service providers. Surely that power is overdue, because otherwise, many of my constituents, along with those of my colleagues, will continue to receive a poor broadband service.

Mr. Murphy: My hon. Friend makes some very important points about the decision-making powers and architecture that will ensure we achieve 90 per cent. broadband penetration. We are trying to ensure that the market provides most of that, and we expect that up to two thirds—60 to 70 per cent.—of homes will be able to access super-fast broadband through the market. However, the Government will have to do additional things, and my hon. Friend can make the case for giving Ofcom additional powers; but, again, we are absolutely determined that no one be excluded for reasons of geography or income.

Malcolm Bruce (Gordon) (LD): Is the Secretary of State aware of *The Press and Journal* report today that, according to the Top 10 Broadband website, broadband speeds in Aberdeen and Inverness are running at about half the rate of Glasgow and Edinburgh, and that BT does not know why? Will he undertake to find out why, and recognise that high-tech global industries operate out of Aberdeen and need to have the same access as the best in the UK?

Mr. Murphy: The right hon. Gentleman, also, makes a really important point, and the issue of access to broadband for business and domestic users is crucial. The figures that I have show, however, that despite that worrying report in the newspaper, Aberdeen is ahead of most Scottish cities. The fact is that less than half of people in Dundee and Edinburgh have access to super-fast broadband, and less than one third have access in Glasgow. Aberdeen is in a much stronger position, but we are determined to ensure that there is universal access in Aberdeen and beyond.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): What can the Government do to help or compel BT to upgrade exchanges, especially in rural areas, to ensure greater broadband penetration for the islands of Scotland in particular?

Mr. Murphy: I recently had the opportunity to visit the Western Isles, Orkney and Shetland, and the people there raised those issues with me. It is important that there be an upgrade for copper and wire networks, but the Government are also committed to a 50 per cent. levy on those with BT lines—*[Interruption.]* I mean a 50p levy. *[Interruption.]* That is the tax at some point in the future. There will be a 50p levy on those throughout the United Kingdom with a BT fixed line, and rural areas and island communities will benefit from that.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): I wish to take the positive message from the Secretary of State today. I had an open meeting in Lanark last week with voluntary organisations and small businesses in my constituency, particularly those in the Clyde valley,

so his statement today will be good news, but we should roll out the programme as quickly as we can.

Mr. Murphy: My hon. Friend makes the point that, for many people throughout Scotland and the UK, access to super-fast broadband is about a way of life. A decade or so ago, such infrastructure and technology was a luxury; today, it is increasingly a necessity. It is crucial that no one, for reasons of geography or income, be locked out of those changes.

People Trafficking

2. **Mr. Peter Bone** (Wellingborough) (Con): What recent assessment he has made of the extent to which people are trafficked between Scotland and England. [300125]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): The Secretary of State has made no recent assessment of people trafficking between Scotland and England.

Mr. Bone: That is rather disappointing. The Barnardo's report, published last week, highlights the number of young people who are trafficked within the United Kingdom for sexual exploitation. Will the Minister urge a further review, so that more can be done to protect those vulnerable people?

Ann McKechin: The hon. Gentleman rightly raises a subject of great concern across the United Kingdom. I can assure him that there is close co-operation between all the police forces, including those in Scotland; of course, this is a devolved function of the Scottish Government. There is a national referral mechanism that is tracking child trafficking. Glasgow is one of the 13 pilot areas that have been taking part in that project, and we will have further information on its success later next year. The Government give the highest priority to tackling this invidious crime and to ensuring that we arrest the perpetrators as soon as we possibly can.

Mr. Denis MacShane (Rotherham) (Lab): Is my hon. Friend aware of the TARA—trafficking awareness-raising alliance—project in Glasgow, which so far this year has taken 44 women trafficked for prostitution into care and is looking after them with the support of the Government and the Scottish Administration? Will she ask the police forces of Scotland to act on the Bill passed just two weeks ago, which makes it a crime to demand, ask for or seek to pay for sex with any woman who has been trafficked or coerced? In other words, it is now the male punters who are responsible, and they must be brought before the courts and named and shamed to slow down this disgraceful traffic.

Ann McKechin: My right hon. Friend rightly refers to the very good work carried out by the TARA project over several years. The law on prostitution is different in Scotland, but that does not mean that colleagues in Scotland are not deeply concerned about the issues surrounding prostitution, particularly trafficking. I can assure him that local authorities and the police in Scotland are working very hard on that matter.

Jo Swinson (East Dunbartonshire) (LD): TARA in Scotland has seen a dramatic rise in the number of sex-trafficked women seeking its help. Sadly, the experience of large sporting events shows that the 2014 Commonwealth games could bring many more. Will the Minister ensure that her Government work closely with the Holyrood Government to share the experiences of and lessons from tackling this problem at the Olympics, to ensure that we minimise this horrible crime during the Commonwealth games?

Ann McKechin: The hon. Lady raises a genuine issue of concern which I share. There is already close co-operation between those organising the Commonwealth games to be held in Glasgow and the Olympic games to be held in London, and I am sure that the lessons learned about how we tackle this problem will be followed by colleagues in Scotland.

Nuclear Waste

4. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions he has had with the First Minister and Ministry of Defence officials on the storage of nuclear waste from the decommissioned nuclear submarines moored at Rosyth; and if he will make a statement. [300127]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): Our Office is in frequent contact with the Ministry of Defence, and the MOD is in regular contact with Scottish Government officials regarding this issue. No decisions on siting have yet been taken either for submarine dismantling or for waste storage.

David Taylor: The hazardous life of some forms of plutonium exceeds a quarter of a million years, so thousands of generations of people in Ayrshire, Fife and Caithness may have to live with the presence of a toxic nuclear dump on their doorstep. Do these intolerable risks not show that the Trident programme should be abandoned, not salami-sliced, and the £100 billion saved invested in more socially useful projects in Scotland and the rest of the United Kingdom?

Ann McKechin: I can assure my hon. Friend that the MOD is committed to a safe, secure and cost-effective solution regarding dismantling submarines. The radiological risk to the general public is assessed as extremely low and it will remain so—but we are committed to ensuring that there is a full public consultation at national level with all areas that may be identified as potential sites.

Willie Rennie (Dunfermline and West Fife) (LD): The patience of people in West Fife is wearing thin, because we have had these submarines for 25 years and we lost the Trident refuelling contract in the '90s. We want rid of these submarines, and we want rid of them now. Will the Minister tell the Defence Secretary that when she next meets him?

Ann McKechin: I think it important to say to the hon. Gentleman that we must take care to have a full assessment of and full consultation on the various options for dismantling and storage. We are committed to carrying this out during 2010, and the MOD will take notice of any concerns raised by local communities.

Mr. Ben Wallace (Lancaster and Wyre) (Con): In advance of the Scottish National party's publication of its independence White Paper next week, we should acknowledge the contribution to the Scottish economy made by the British submarine base at Faslane. Does the Minister agree that an independent Scotland would have a minimal defence capability and that the 3,000 jobs linked to that base would be put immediately at risk?

Ann McKechin: I am sure the hon. Gentleman will have heard the recent comments of Mr. Jim Sillars regarding current SNP defence policy. It is clear that the cost of independence to Scotland in jobs would be extremely high, and that many skills would be lost as a result.

Employment

5. **Mr. Andrew Robathan** (Blaby) (Con): What recent discussions he has had with ministerial colleagues on the level of employment in Scotland. [300128]

The Secretary of State for Scotland (Mr. Jim Murphy): I have regular discussions with ministerial colleagues about employment in Scotland and will be co-hosting Scotland's first ever jobs summit on 11 January in Easterhouse in Glasgow.

Mr. Robathan: What proportion of those in employment in Scotland are paid out of the public purse, either through local, devolved or national Government? Are there any implications in that for a vibrant and dynamic Scottish economy?

Mr. Murphy: The hon. Gentleman is of course welcome to attend the jobs summit in Easterhouse in Glasgow. I am sure he would be like a fish in water there.

The Scottish and UK Governments employ a substantial number of the work force in Scotland, who do a remarkable job, particularly at a time of recession, when they provide support to those who are vulnerable. I pay particular tribute to the staff of Jobcentre Plus, who at a very difficult time are providing real support to those who need it during the recession.

Michael Connarty (Linlithgow and East Falkirk) (Lab): When my right hon. Friend speaks to his ministerial colleagues, will he ask them whether they will apply to the European Union globalisation fund, which is now being provided just to respond to the current economic downturn? For example, Ireland has just had £36 million, and it is about to move 500 jobs at Bausch and Lomb from West Lothian to Waterford in Ireland. Surely when we are losing jobs, we can also apply to that fund for money for Scotland to support employment there in the face of the economic recession.

Mr. Speaker: Order. We really must have questions that are questions rather than the pursuit of Adjournment debates.

Mr. Murphy: My hon. Friend raises some big issues. Of course it is essential that we do all we can to support people through this recession, and our tax system remains internationally competitive. Although we can learn individual lessons from other countries, I do not think the UK or Scotland would be well suited to following exactly the economic model of Ireland—or Iceland.

Mrs. Anne McGuire (Stirling) (Lab): My right hon. Friend might be aware that Prudential has regrettably announced this week 60 job losses at its site in Stirling. However, Capita and Prudential still contribute approximately 2,500 private sector financial jobs to the Stirling area. In his discussions at Scottish, UK and international level, will he highlight the fact that the city of Stirling has a lot to offer the financial services industry, as we seek to re-establish credibility in that marketplace?

Mr. Murphy: My right hon. Friend is right to remind the House that amidst all the understandable talk about an impending recovery, the recession is just starting for many people who have perhaps lost their jobs over recent weeks, or for small businesses that continue to struggle. That is why we are determined to do more. I know she is a doughty fighter for the city of Stirling, and there is a huge amount to be optimistic about there, as there is across the whole of Scotland. Although of course Scotland faces real difficulties at the moment, I remain entirely optimistic that we will get through this recession strongly.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Is the Secretary of State aware of the recent Fraser of Allander Institute report that estimates that over the course of this year there will be 130,000 net job losses in Scotland, and which warns that the Scottish economy may not even come out of recession in the final quarter of this year? In those circumstances, does he believe that his colleague the Secretary of State for Work and Pensions was right to describe last month's job figures as "welcome news"?

Mr. Murphy: It is always welcome news when people get back into work, and that is the point my colleague the Secretary of State for Work and Pensions has made. As people in Scotland and across the UK look towards Christmas and are increasingly concerned about how they will pay their bills or afford a good Christmas for their family, it is essential that we continue to do everything we can, aside from party politics, to get those folk back into work. That is what the Labour Government are determined to do.

Mr. Carmichael: Complacency is bad enough from the Secretary of State for Work and Pensions; from the Secretary of State for Scotland it is unforgivable. That same report points to the role of the Royal Bank of Scotland and HBOS in bringing Scotland's economy out of recession and states that as taxpayer-funded banks, they have to be prepared to lend more to small and medium-sized enterprises. What is the Secretary of State's Department doing to ensure that the taxpayer, having paid the piper, is now going to get to call the tune?

Mr. Murphy: I suspect that that supplementary question sounded better in front of the mirror this morning than it did in the Chamber.

We are doing everything we possibly can to get Scotland and the United Kingdom through this global recession. We want to ensure that the newly unemployed do not become the long-term unemployed, which is why the new investment in Jobcentre Plus, the support for the long-term unemployed and the targeted measures in the parts of Scotland that are suffering most are the right things to do.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): May I be the first to congratulate the Secretary of State on being named best Scot at Westminster? I am sure the Prime Minister is delighted.

Month after month, Scottish unemployment rises; month after month, the Scotland Office issues a statement distancing the Government from responsibility, invoking global factors; and month after month, that looks less credible. If the Government's economic policies have been right for Scotland, can the Secretary of State explain to us why the US, France and Germany have all returned to growth, but over the same period Scottish gross domestic product has continued to fall? Given that unemployment lags behind growth, are we to assume that Scotland will suffer further from Labour's legacy of rising unemployment for many months to come?

Mr. Murphy: I thank the hon. Gentleman for his best wishes on my award. It was a very long shortlist, but I noticed he was not on it. I would nevertheless like to welcome the newest Member to the House, my hon. Friend the Member for Glasgow, North-East (Mr. Bain).

On the hon. Gentleman's substantive point, there are a quarter of a million more people in work in Scotland today than when his party left power, but we are determined to do an awful lot more. The worst thing we could do is follow the prognosis of Conservative economics in the midst of this recession.

David Mundell: The Secretary of State's monologues about history are almost as predictable as those press releases on unemployment from the Scotland Office. We want to talk about the present. There are 270,000 people in Scotland on incapacity benefit under this Government. That cannot be justified—when will he take steps to get these people re-tested? All those found to be either ready to work or ready to prepare for work should be given support by specialist organisations; instead, they are ignored by his Government. When will he put that right?

Mr. Murphy: We introduced the Welfare Reform Act 2007, which ensures that we provide new support to those on incapacity benefit, particularly those who experience fluctuating mental health conditions, and especially women in their 30s and 40s, in respect of whom there is an additional trend that is worrying for us all.

However, it is nauseating to listen to the hon. Gentleman lecture us on incapacity benefit. We are doing everything we can to support those people in getting off that benefit. The fact is that when his Government were in power, they manufactured the unemployment figures by deliberately taking people off unemployment and sticking them on to a life of dependency on incapacity benefit, for which they will never be forgiven.

Future Jobs Fund

6. **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): What assessment he has made of the effectiveness of the operation of the future jobs fund in Scotland. [300129]

The Secretary of State for Scotland (Mr. Jim Murphy): Future jobs fund vacancies are available in every local authority area in Scotland. To date, 44 bids have been approved in Scotland, offering almost 7,000 jobs.

Sandra Osborne: Between them, North Ayrshire and East Ayrshire councils have secured more than 500 jobs for young people over the next 18 months through the future jobs fund. The Tory-nationalist coalition in South Ayrshire council, on the other hand, has secured none at all. What can the Secretary of State do to put the maximum pressure on councils such as South Ayrshire to allow young people to participate?

Mr. Murphy: My hon. Friend raises a really important point, because we need to support young people who have recently lost their jobs so that they do not spend six months or a year out of work. It would be unforgivable if local authorities did not provide that degree of support, so I will find ways to raise her concerns with South Ayrshire council. However, it is important that we provide that support for the long-term young unemployed and those who are middle-aged in particular problem areas across Scotland.

Robert Key (Salisbury) (Con): Given the Secretary of State's recent decision to reject the QinetiQ proposals for upgrading the Ministry of Defence ranges on Benbecula, is he confident that there will be no job losses on the Hebrides ranges for the next three years? *[Interruption.]* If he cannot be confident of that, will he ensure that the future jobs fund will be applied to the islanders of North Uist, Benbecula and South Uist? *[Interruption.]*

Mr. Speaker: Order. Just before the Secretary of State answers that question, may I reiterate the appeal that I make every week for a decline in the number of private conversations? I say this to the hon. Member for West Chelmsford (Mr. Burns): every week he indulges in these conversations, every week it is very tedious and every week it is not necessary. Let us have an end to it.

Mr. Murphy: I am aware that the hon. Member for West Chelmsford (Mr. Burns) does not have much interest in Scotland or Scottish questions, but the decision that was taken about saving the ranges on the Uists was very important. Again, it shows the benefit of Scotland being part of the United Kingdom. We remain committed to those firing ranges on the Uists, but we have to ensure that they attract new business and that we achieve diversity in the economy in the Western Isles, which is important to their future.

Tourism

7. **Mr. Mike Weir** (Angus) (SNP): What recent discussions he has had with ministerial colleagues on the effect on the tourism industry in Scotland of proposed changes to the furnished holiday lettings rules. [300130]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend has discussions with ministerial colleagues on a range of issues.

Mr. Weir: The Minister will be aware that many groups, including the Association of Scotland's Self-Caterers and the Federation of Small Businesses Scotland, have raised concern about the impact of the proposed abolition of furnished holiday letting relief. Alternative solutions have been proposed that would be tax-neutral and support the industry. Will she urge the Treasury to look again at this matter to avoid serious damage to the economy in many areas of rural Scotland, including mine?

Ann McKechin: As the hon. Gentleman will be aware, the current rules were understood not to comply with EU law, nor were they fair to other residential landlords. It is also likely that if we had kept the rules as they stood, it would have had a negative impact on tourism, both in Scotland and the UK. There are only 60,000 individuals in the UK claiming this benefit, but there were 15 million overnight tourist visits in Scotland last year, so we consider that the change will not have any major impact on tourism.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): The biggest barrier to tourists visiting holiday homes in Scotland is the lack of a proper transport infrastructure. Will my hon. Friend join the Scottish trade unions and business leaders in calling on the SNP Administration at Holyrood to reverse the decision to cancel the Glasgow airport rail link?

Ann McKechin: As my hon. Friend might suspect, there is only one Glasgow MP who does not support the rail link to the airport, the creation of 1,300 jobs or the ambitions of the city for the future. I deeply regret the decision and I hope that it will now be reconsidered.

Economic Inactivity

8. **John Howell** (Henley) (Con): What recent discussions he has had with the Secretary of State for Work and Pensions on the level of economic inactivity in Scotland. [300131]

The Secretary of State for Scotland (Mr. Jim Murphy): I have regular discussions with the Secretary of State for Work and Pensions on the level of economic inactivity in Scotland.

John Howell: Office for National Statistics figures show that the number of people in Scotland becoming economically inactive rose by 20 per cent. more than the UK average. Why is Scotland so much worse?

Mr. Murphy: Scotland is better off because it is part of the United Kingdom. The four nations of the UK are stronger together during this recession than would otherwise be the case, and most people in Scotland now accept that. There are 250,000 more people in work in Scotland than when the hon. Gentleman's party left power, and his party has not been listened to on this recession in Scotland because of how it behaved while in government during the last recession in Scotland.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): Does my right hon. Friend share my anger at the Opposition for refusing to vote for any support that we give to the unemployed in Scotland, and for the abandonment of people in the 1980s and 1990s that this Government reversed in 1997?

Mr. Murphy: It is clear that the Labour Government are doing everything that we can to get people through this recession. It is also clear that we cannot stop every job being lost—that is the unavoidable and harsh reality of the world economy these days—but we can do everything possible to get people back into work so that they never suffer from long-term unemployment. That is why the measures we have taken are so important, and the blocking of those measures by the Opposition has been so unforgivable.

Rail Services (Economic Impact)

9. **John Mason** (Glasgow, East) (SNP): What discussions he has had with the Secretary of State for Transport on the effect on the Glasgow and Lanarkshire economy of future provision of rail services to the west of Scotland operated by East Coast. [300133]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend and I have regular discussions with colleagues on a wide range of issues.

John Mason: Does the Minister agree that the airport rail link, while desirable, is a luxury at present, but the East Coast link is essential to Glasgow's economy?

Ann McKechin: The hon. Gentleman might wish to follow the example of the newest Member of the House, my hon. Friend the Member for Glasgow, North-East (Mr. Bain), in agreeing with the business community in Scotland that the Glasgow airport rail link project is not only desirable but affordable and will create 1,300 jobs. The hon. Gentleman seems to have no interest in that whatsoever.

Devolution

10. **Lindsay Roy** (Glenrothes) (Lab): What discussions he intends to have with ministerial colleagues on the recommendations of the Commission on Scottish Devolution. [300134]

The Secretary of State for Scotland (Mr. Jim Murphy): I have had many discussions with Cabinet colleagues during preparation for the Government's proposals for the future of Scotland within the United Kingdom, and with your permission, Mr. Speaker, I will make a statement on that this afternoon.

Lindsay Roy: My right hon. Friend is about to make a statement to the House and I do not wish to steal his thunder, so I merely ask whether the commission's report is the outcome of diverse national conversations.

Mr. Murphy: The commission's report is the work of months of research and evidence and is based on the support of the Scottish Parliament. The process is supported by the Labour party, the Conservative party and the Liberal Democrats. Only one party stands outside the consensus, and unfortunately the Scottish National party Government continue to boycott the entire process.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [301117] **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): If he will list his official engagements for Wednesday 25 November.

The Prime Minister (Mr. Gordon Brown): Before listing my engagements this week, I am sure that the House will wish to join me in paying tribute to Sergeant Robert Loughran-Dickson from the 4th Regiment Royal Military Police who has died in Afghanistan. The debt of gratitude that we owe to him is permanent, and we send our sincere condolences to his family and friends. He, and the sacrifice he has made, will not be forgotten.

All of us will also want to pay tribute to Police Constable Bill Barker, who tragically died in Cumbria in the course of duty, serving the community to which he was so committed. We remember those individuals who lost their lives during the recent floods. Our thoughts are with their families and friends, and all those affected by the serious flooding. They will have our support now and into the future. Let us as a House also pay tribute to the emergency services, armed forces and all organisations doing an outstanding job working round the clock to help those areas of our country affected by the floods.

Dr. Blackman-Woods: May I begin by associating myself with the Prime Minister's comments about the death of Sergeant Loughran-Dickson in Afghanistan?

As the Prime Minister said, in the past week we have witnessed appalling flooding in Cumbria and near-misses in many other places, including in my constituency. We know that the emergency services are providing excellent support now, but will he reassure the House that help will be available for as long as needed to get people back on their feet and to help prevent flooding in the future?

The Prime Minister: I am grateful to my hon. Friend, who has taken an interest in such matters over many years. The floods were the worst that we have seen. It was a terrible time, as I found out, and as many others in the House also found out when they visited the area. I pay tribute to the local MP who has done so much to comfort and help people.

It might be helpful if I update the House on what is happening and assure people that our support will continue right throughout the troubles facing the area. Some 39 bridges remain closed. We are examining the possibility of a temporary bridge and temporary station, and this morning, a team of military engineers is assessing the possibility of a temporary pedestrian bridge across the River Derwent. The Department for Transport will fund bridge and road repairs. I believe that 40 people are still in rest centres. Consultations with the insurance industry are taking place to ensure that people can return to their homes or have, as a result of action by the council, alternative accommodation. The Flood and Water Management Bill, which deals with some of those issues in the longer term, will come before the House before Christmas. Let me praise all the emergency services that have done so much to help people in this time of need.

Mr. David Cameron (Witney) (Con): May I join the Prime Minister in paying tribute to Sergeant Robert Loughran-Dickson, who was killed in Afghanistan last week? As the Prime Minister said, our thoughts should be with his family. I also join him in paying tribute to PC Bill Barker, who died in the line of duty protecting the lives of others from those dreadful floods in Cumbria. As the Prime Minister also said, PC Bill Barker was part of an extraordinary effort by emergency services and voluntary groups such as Mountain Rescue, which worked day and night to keep people safe. As the Prime Minister and I have seen, the community spirit shown by residents in dealing with the floods is a real inspiration.

As has been said, one of the biggest issues is the state of the bridges in Cumbria. Communities have been cut in half and trips to school that used to take five minutes now take an hour and a half. The Prime Minister spoke about what is being done on a national basis, including mobilising Army resources, and about plans for a temporary bridge. How quickly could that temporary bridge be put up to help families come together?

The Prime Minister: I am grateful to the right hon. Gentleman for all that he has said about the whole range of emergency services on which we depend. It is at times like these that we realise the importance of all the public and voluntary services that help our country. As I said, we are examining whether a temporary bridge could be put across the River Derwent. As he knows, we are also looking at how we can fund and finance the construction of a temporary rail station that will allow transport in the area. I believe from the information that I have had that that could be done fairly quickly, but we await the report of the military engineers who are working with the local authorities as we speak this morning. I hope that the Secretary of State for Environment, Food and Rural Affairs will be able to give further information this afternoon. Let me say absolutely that the costs of those repairs will be met by the Department for Transport.

Mr. Cameron: People will be very grateful for that answer and that assurance about the funding. With Christmas coming, it will be incredibly hard on those families who cannot get back into their homes. Whether it is contacting the insurance companies so that they pay out quickly, contributing to the community fund, which is set up in cases of hardship, or contacting public and private landlords so that empty homes are made available, can the Prime Minister assure us that everything that can be done will be done to help those families in the run-up to Christmas?

The Prime Minister: The Minister for Regional Economic Development and Co-ordination met the Association of British Insurers yesterday. She received a full assurance that insurers would act quickly on all claims that were being made to them, particularly those claims that required the provision of emergency accommodation during a period when people are out of their homes. Obviously we hope that people will get back to their homes as quickly as possible.

We know that the insurance industry will act for those people who have claims that allow the payment of money for temporary accommodation, but in those circumstances where the local authority has to act to provide accommodation for people, it will do so. The right hon. Gentleman will recall from being there yesterday that a large number of the people affected were very elderly people who live in accommodation for the elderly. We are determined to ensure that the provision of alternative accommodation is up and running and able to meet their needs as soon as possible. It is true that it takes time when houses are flooded for people to get back into them, but we are doing everything in our power to get people back into their homes as quickly as possible. I have also talked to the leader of the council, Councillor Jim Buchanan, who has satisfied himself that we are doing what we can.

Mr. Cameron: I am very grateful for those answers, and people in Cumbria will be too.

Let me turn to a completely different subject, one that I raised two years ago. I asked the Prime Minister about the extremist group Hizb ut-Tahrir and why, despite an explicit promise by Tony Blair that it would be banned, it still has not been banned. Hizb ut-Tahrir's constitution states that non-Muslims are "combatants in the battlefield" and that their

"blood is...lawful...as is their property".

Although he has not been able to ban Hizb ut-Tahrir, can the Prime Minister at least assure me that this extremist group has not received any public money?

The Prime Minister: I am not aware of Hizb ut-Tahrir receiving any public money. If the right hon. Gentleman has evidence of that, perhaps he will give it to me.

Mr. Cameron: Well, I will not only give it to the Prime Minister, but my hon. Friend—*[Interruption.]* What is extraordinary is that my hon. Friend the shadow schools Secretary wrote to the Prime Minister's right hon. Friend the schools Secretary a week ago about the issue. Let me draw the Prime Minister's attention to the fact that two schools have been established by an extremist Islamist foundation, the ISF or Islamic Shaksiyah Foundation, which is a front organisation for Hizb ut-Tahrir. The ISF has secured a total of £113,000 of Government money, some of which was from the pathfinder scheme, whose objective is meant to be preventing violent extremism. Can the Prime Minister explain how that completely unacceptable situation came about?

The Prime Minister: I am happy to say that this will be looked into in every detail. I am told that the two schools that the right hon. Gentleman referred to have been inspected. I will look at the results of those inspections and write to him. We are dealing with grants of £113,000 of public money, as he said, and two schools that I do not know the names of, and I shall look at this matter very carefully.

Mr. Cameron: I am grateful for that, but there can be no doubt that the organisation that I mentioned is a front organisation for Hizb ut-Tahrir. Two of its four trustees are members of Hizb ut-Tahrir, and the head teacher and proprietor of one of the schools—a school in Slough—are members of Hizb ut-Tahrir. I find it hard to understand why the Prime Minister does not know about that, given that we were asking—*[Interruption.]*

Mr. Speaker: Order. Government Back Benchers are becoming far too excitable today. The Leader of the Opposition must be heard.

Mr. Cameron: Given that the Opposition have been asking questions about this issue in Parliament for almost a month and that the shadow schools Secretary wrote to his opposite number a week ago, how can the Government have an anti-extremist fund that results in a Labour local authority handing out money to extremists? This is a school set up by extremists, passed by Ofsted and approved by the Charity Commission, but in receipt of public money. Does not that prove that we need a much bigger inquiry into how things like this can happen?

The Prime Minister: Let me say that everything that the right hon. Gentleman has said will be investigated in great detail. Let me also say that the letter written by the shadow schools Secretary a few days ago will be replied to. Let me also say—let us be clear about this—that the vast majority of Muslims in our country are part of the law-abiding majority of this country. I do not want it to be said that those people who are citizens of our country who hold the Muslim faith are to be held responsible for acts of terrorism. Where there is abuse, it will be investigated. In the case of Hizb ut-Tahrir, we have investigated and looked at it. It is not a proscribed organisation and if the right hon. Gentleman has new evidence that should make us proscribe it, we shall look at it again. As far as the two schools are concerned, they will be properly inspected and every argument the right hon. Gentleman has made will be looked at closely, but he would not expect me, without looking at the evidence, to draw early conclusions.

Mr. Cameron: The Prime Minister talks about investigating Hizb ut-Tahrir. This is an organisation that said Jews should be killed "wherever you find them". That is what that organisation says. Let me ask the Prime Minister about another organisation because there is a sense that this Government have just not got a grip on the issue of Islamic extremism. Take the group Islam for the UK. The leader of this group, Anjum Chaudri, claims that the 9/11 bombers were "magnificent" people

"carrying out their Islamic responsibility".

The group has apparently called for

"blood on the streets of London and New York".

When the Prime Minister replies for the last time, perhaps he can tell us why this group has not been banned as well?

Is it not the case that people will see that we have a Government who say they want to prevent extremism, yet their money is funding extremists; that we have a Government who say we should not have extremist-led schools, yet we have those schools? Above all, when is the Prime Minister going to tell us how he is going to get a grip on this issue?

The Prime Minister: To proscribe an organisation, we need full evidence and that evidence needs to be looked at in detail in the cold light of day, and I think the right hon. Gentleman may regret some of the remarks he has made this morning. As to our activities against terrorism in this country, we have doubled the security staff available to deal with terrorism; we have doubled the number of police who are dealing with potential terrorist incidents; we have put 100 people into prison since 2001 as a result of terrorist acts; we are monitoring very closely people who enter this country, including through the use of the identity card that foreign people coming to this country have to hold; and we are using the DNA database to check up on people, much against the advice of other parties. We are doing everything in our power to deal with the terrorist threat in this country and I thought it was a matter of all-party consensus that proscription should be on the basis of evidence, which was clearly proven, of advocating violence. That is the position that both parties accepted; that is the position that we will continue to follow.

Mr. Andrew Dismore (Hendon) (Lab): Does my right hon. Friend agree with the comments of the chief inspector of constabulary today that it is time to reassert the principles of the traditional British model of approachable, impartial and accountable policing based on minimum force for major public order events such as the G20?

The Prime Minister: I absolutely agree that it is important that policing is of the best. Where mistakes are made or where there are question marks, they have got to be answered. We have procedures for doing so. I know that the events at the G20 caused a great deal of anger and sadness for people when we had the casualty. It is very important that we take the action that reassures people that policing will always be fair.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions of sympathy and condolence to the family and friends of Sergeant Robert Loughran-Dickson of the Royal Military Police, who tragically died serving in Afghanistan last week. I also add my tribute to PC Bill Barker, who lost his life in the line of duty dealing with the terrible floods in Cumbria. Our hearts go out to his wife and four children. At such times we all remember that it is the brave men and women of our emergency services who keep us safe when it really counts. We thank them for it.

It is vital that the Iraq inquiry, which started its work this week, is able to reveal the full truth about the decisions leading up to the invasion of Iraq. Will the Prime Minister therefore confirm that when Sir John Chilcot and his colleagues come to publish their final report, they will able to publish all information available to them, with the sole exception of information essential to national security?

The Prime Minister: I have set out a remit and brought it to the House of Commons. Sir John Chilcot has been given the freedom to conduct his inquiry as he wants. He has chosen to invite people to give evidence, and he will choose how to bring his final report to the public. That is a matter for the inquiry.

Mr. Clegg: As I think the Prime Minister must know, the matter is not just for the inquiry, because his Government have just issued a protocol—I have it here—to members of the inquiry, governing the publication of material in the final report. If he reads it, he will see that it includes nine separate reasons why information can be suppressed, most of which have nothing to do with national security. Outrageously, it gives Whitehall Departments individual rights of veto over the information in the final report. Why did the Prime Minister not tell us about that before? How on earth will we, and the whole country, hear the full truth of the decisions leading up to the invasion of Iraq if the inquiry is suffocated on day one by his Government's shameful culture of secrecy?

The Prime Minister: That is not what Sir John Chilcot has said. The issues affecting the inquiry that would cause people to be careful are national security and international relations. As I understand it, those are the issues referred to in the protocol. I believe that Sir John Chilcot and his team are happy with how they are being asked to conduct the inquiry.

Q2. [301118] **Mrs. Madeleine Moon** (Bridgend) (Lab): Britain's top bankers rewarded their own financial greed and incompetence with large bonuses, while imposing huge banking charges on those who, because of need not greed, often went into the red. I am sure that many Members were dismayed at today's Supreme Court judgment. What will the Government do to ensure fairness for ordinary people—ordinary customers—within the banking system?

The Prime Minister: My hon. Friend is absolutely right to raise the anxieties that people have had about the system of bank charges in our country. Although the court judgment has not upheld the case of the Office of Fair Trading, it is right that we examine how fairness can be applied in all cases to people who are banking customers in this country. As far as the banks that we are responsible for at this moment are concerned—Northern Rock, HBOS Lloyds and RBS—we have asked them to review their overdraft charges over the past few weeks in order to be fairer to their customers, and they have done so. Under the Financial Services Bill, which is now before the House, a damages fund will have to be set up by banks to deal with complaints by customers of overcharging. There is now the possibility for class actions to be taken in court, which could not happen before, so that a group of customers can take banks to court. There is now power given to the Financial Services Authority, for the first time, to impose settlements on banks to repay customers they have overcharged. The proposed legislation will strengthen the rights of customers, as we have sought to do over the past two years, so that they get a fairer deal from the banking system, as they should, in this country.

Sir Patrick Cormack (South Staffordshire) (Con): When did the Prime Minister first realise that he was infallible?

The Prime Minister: I deal with the issues as they arise, and I do so as best I can. I believe that, over the recession, we have dealt with the issues in a far better way than we would have done had we followed the advice received from the hon. Gentleman's party.

Q3. [301119] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): How important is the work of the North-west Regional Development Agency in delivering investment to business, science to Daresbury, and the successful "capital of culture" year to Liverpool as part of the city's ongoing regeneration?

The Prime Minister: One of the biggest mistakes that could be made would be the abolition of the regional development agencies in our country. In every region of the country the business organisations, the small business organisations, the engineering employees and the local authorities say that the RDAs are doing a job that helps their businesses through a recession and creates new job opportunities for people. I think that the Conservative party would make a terrible mistake if they decided, in an act of vindictive ideology, to abolish development agencies.

Q4. [301120] **Mr. Alan Reid** (Argyll and Bute) (LD): The Government have compiled a secret list of sites in Argyll and Bute where they are thinking of dumping nuclear waste from old submarines. There is widespread opposition to the proposal in Argyll and Bute, and many communities fear that they are on the secret list. Will the Government publish that list of secret sites today, so that a public debate can take place?

The Prime Minister: I have followed this issue over the 26 years for which I have been a Member of Parliament, and it has been an issue for all those years. The question is where nuclear dismantling should happen, and where the nuclear waste from submarines should be placed in

this country. It is right to consult MPs—as the hon. Gentleman has been consulted—and local representatives on the issue, and I understand that the Ministry of Defence is talking to MPs and elected representatives in the areas where there are potential sites.

This is not happening behind closed doors. Members of Parliament are being asked for their views on these very matters.

Mr. Parmjit Dhanda (Gloucester) (Lab): On the subject of tackling radicalisation, does the Prime Minister agree that in all such cases it is important that we listen to the Association of Chief Police Officers? If an organisation is proscribed, however much we may abhor its views—and we do—it will stay on the right side of the law, because such organisations are quite clever in that way. The danger is that proscription will merely create a recruiting sergeant, and possibly also lead to a judicial review. Should we not listen to ACPO before deciding whether to proscribe organisations of this kind, and should not the right hon. Member for Witney (Mr. Cameron) do likewise?

The Prime Minister: My hon. Friend brings a great deal of experience to the issue, and he is absolutely right. Any decisions about proscription should be made on the basis not of a few exchanges in the House of Commons but of a detailed assessment of what is right and what is wrong, and part of that involves taking police evidence into account.

As my hon. Friend says, we must not get into a position in which the decisions that we make act as a recruiting sergeant for militants in this country. We are taking every action that we can to deal with the terrorist threat in this country, and I think that, on an all-party basis, we should be united in saying that we are doing what we can to ensure that the al-Qaeda threat—*[Interruption.]* The shadow Chancellor is saying something about money. We have doubled the amount of money being spent on security. That would not happen under a Conservative Government, because they would not be prepared to make the funds available. Why, when we are dealing with the issue of spending, do they persist in their policy on inheritance tax—*[Interruption]*—whose beneficiaries resemble the Leader of the Opposition's Christmas card list?

Q5. [301121] **Paul Rowen** (Rochdale) (LD): Unlock Democracy has proposed the establishment of a citizens' convention to consider a renewal of faith in the House and in Parliament. Is the Prime Minister willing to support that, and if a private Member presents a Bill to that effect following tomorrow's ballot, will he give it Government time?

The Prime Minister: I welcome the report from my hon. Friend the Member for Cannock Chase (Dr. Wright) on the reform of this Parliament. It is right for us to consider how our Select Committee system can be reformed so that it is better in the future. It is also right for us to consider how non-Government business is dealt with, and how we can improve the workings of the House. I believe that there will be a warm welcome for some of the proposals in the report.

As for the question of our House becoming more open to the views of people outside, the hon. Gentleman is absolutely right to suggest that we need to consult widely. The Youth Parliament met here only a few weeks ago, and we will continue to have an outreach to members of the community. That is essential in a modern-day participatory democracy.

Q6. [301122] **Mr. Eric Martlew** (Carlisle) (Lab): I thank the Prime Minister for his words of comfort and encouragement to the people of Cumbria today, following last week's devastating floods. In 2005 my constituency was flooded, and the Government were very generous in providing resources for flood defences. It will cost £40 million just to rebuild the bridges in west Cumbria, and probably the same amount to rebuild the roads. Will the Prime Minister assure us that he and the Government will be able to help? The people of Cumbria cannot afford to pay that bill.

The Prime Minister: My hon. Friend is absolutely right—100 flood protection schemes have recently been brought in. One of them is for Carlisle, where £40 million is being spent to make sure there is proper protection against the floods that did so much damage the last time, and I understand that in the recent times about 3,000 properties were prevented from being flooded as a result of those new flood defence arrangements. We will look at what we have done. I have said already that the Environment Agency budget and the other budgets for dealing with flood defences will rise to £800 million in 2010-11. That is a sign of our commitment to making sure the whole country is best protected against flooding.

Q7. [301123] **Mr. David Burrowes** (Enfield, Southgate) (Con): Is the Prime Minister aware of his schools Secretary's pre-Budget statement to the annual Youth Justice convention two weeks ago protecting the youth justice budget for the next two years? If that is true, what cuts will be made to accommodate that cross-departmental commitment?

The Prime Minister: It is the hon. Gentleman's party that wants to cut massively public spending, and it wants to cut it this year and next year. In fact, it is the only major party in Europe that wants to withdraw the fiscal stimulus now when it is absolutely necessary to keep the economy moving forward. If I were him, I would be asking the Leader of the Opposition why his policy is so designed to cut money from policing, education and all the services that the public depend upon now.

Q8. [301124] **Dr. Alan Whitehead** (Southampton, Test) (Lab): May I congratulate the Prime Minister on his early decision to attend at Copenhagen, a lead that has now been followed by 60 Prime Ministers and Presidents from around the world? When he is in Copenhagen, will he seek to harness that high-level attendance to ensure that the best possible package of clean development funding is on the table in order to secure the sign-up of developing countries to a workable climate change agreement?

The Prime Minister: I praise my hon. Friend for the work he has done in promoting a climate change agreement, and the work of Members of all parties who want to see success at Copenhagen. I will go to the Commonwealth conference this week to try to build a consensus between richer countries such as Australia and ourselves and some of the poorest countries in the world on how we

can finance climate change for developing countries as well as developed countries. If we are to get an agreement to cut emissions in some of the poorest countries in the world, it is absolutely essential that we get an agreement on finance. I hope all parties here will support the British proposal for $100 billion of funding for climate change in 2020 as a result of the contributions of the European Union, America and some of the other richest countries in the world. We will do everything in our power to secure a climate change agreement in Copenhagen.

Mr. John Baron (Billericay) (Con): Whatever our individual positions on Afghanistan, it is very important that there is clarity regarding the mission. The Prime Minister has said we are in Afghanistan to protect British people against terrorism, yet, almost in the same breath, he threatens to pull out of the country if President Karzai cannot clean up his corrupt Government. These are contradictory messages that are sending out mixed signals. Can the Prime Minister now square that circle?

The Prime Minister: We are in the country because of the threat to Britain. It is a threat that has been seen over eight years as a result of projected and actual terrorist offences in our country, three quarters of which come from Afghanistan and Pakistan, and mainly the borders of Pakistan. That is why we are there—to protect the streets of Britain. I was right to ask President Karzai to give us assurances about how, in his second term, he would tackle corruption. He has now announced an anti-corruption taskforce. I gather that 12 people were arrested yesterday from within the core administration. At the same time, I have asked him to appoint district and regional governors who are free of corruption and who will deal with the problems in hand, as Governor Mangal is doing in Helmand province, and President Karzai has agreed to do so. By his speeches, President Karzai has met the tests I have set him, and we have now got to see them being met in the delivery. I believe that next week we will see the American Government and the rest of NATO coming together in a strategy that will mean that we have sufficient forces to create the space for a political solution in Afghanistan that will make our streets safer. It is as clear as that.

Q9. [301125] **Tony Lloyd** (Manchester, Central) (Lab): The Prime Minister will be aware of the warning from Sir Hugh Orde, the top cop's top cop, of the dangers of and widespread unease about the investments in police commissioners. Can the Prime Minister tell the House whether this Labour Government will ever allow the police to be politicised, as the Conservatives propose?

The Prime Minister: The operational independence of chief police officers is and has been, and should continue to be, an important constitutional principle. It must be clear that chief officers—and chief officers alone—are responsible for running their force. I believe that the Leader of the Opposition should immediately withdraw his proposal, which would mean the politicisation of the police and which has been criticised by the chairman of Association of Chief Police Officers in the past few days.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): In March, when the Lord Chancellor talked out my private Member's Bill to end the discrimination against Catholics in royal marriages and against women in the line of succession, he said that the Government recognised that this discrimination should end. Can the Prime Minister confirm that he is, as the Lord Chancellor said, ready to consult the relevant Commonwealth Heads of Government this week and that he is confident that we will then be able to sort this out, so that the all-party—

Mr. Speaker: Order. We get the drift. I call the Prime Minister.

The Prime Minister: The Act of Settlement is outdated, and I think that most people recognise the need for change. Change can be brought about only when all realms where Her Majesty is Queen make a decision to change, not just by the United Kingdom. That is why it is important to discuss this with all members of the Commonwealth, including countries such as Australia and Canada. That is the process that will be undertaken in due course.

Q10. [301126] **Ms Sally Keeble** (Northampton, North) (Lab): Is my right hon. Friend aware of the growing evidence, including in the recent report "Northampton Families and the Recession", to show that as a result of the recession, women are doing more of the breadwinning and men are doing more of the caring? What further measures will his Government take to support the flexible working arrangements needed for today's working families?

The Prime Minister: There are about 500,000 more families receiving working tax or child tax credit as a result of the help we are giving in a recession. People in this country have to make a choice: do we want to help families and help children through these difficult times or do we want to cut inheritance tax for the wealthiest people in this country? I think I know what choice the people of this country are going to make.

Indemnity to Bank of England

12.32 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): Mr Speaker, with permission, I should like to make a short statement on the emergency liquidity assistance provided by the Bank of England to the banking system.

One of the functions of central banks is to provide emergency liquidity to banks when it is necessary to do so. Lender of last resort facilities have been a feature of the banking system for many years, because there will be times when an individual bank or, as we saw last year, several banks find it difficult or impossible to raise the funds they need from the market. It is therefore essential that the Bank of England has the power to lend to individual banks facing such temporary liquidity problems. It is important, too, that the Bank of England can do so effectively. Inevitably, on occasion, that means that the Bank has to be able to do so without disclosing its operations.

Disclosure of individual operations could lead to a loss of confidence and exacerbate any short-term liquidity problems. That was exactly the problem we saw with Northern Rock in September 2007. It was a problem recognised by the House, and by the Treasury Committee in its report on Northern Rock—it recognised that some operations needed to be kept confidential.

Early in 2008, we consulted on proposals to facilitate limited disclosure of the provision of emergency liquidity to ensure that such assistance could be made effective. Following that, the Banking Act 2009 provided an end to automatic disclosure of liquidity assistance by the Bank of England. This enabled the Bank to decide the most appropriate way in which to make disclosures to the market. The Financial Services Authority, too, has said there may be good reasons for delaying disclosure of emergency liquidity operations.

Twelve months ago, we faced a situation in which the world banking system was on the brink of collapse. No one should underestimate the gravity of the situation that we then faced. Protecting retail depositors and maintaining financial stability was essential. That was why I said in my statement to the House on 6 October 2008 that the Governor had made it clear that

> "in these extraordinary market conditions, the Bank of England will take all actions necessary to ensure the banking system has access to sufficient liquidity".—[*Official Report*, 6 October 2008; Vol. 480, c. 21.]

That was what we did. The Governor's decision to make emergency liquidity available was quite right and we supported it.

Yesterday, the Governor of the Bank of England told the Treasury Committee that the Bank had extended such emergency liquidity assistance to the Royal Bank of Scotland and HBOS in the autumn of 2008. He told the Committee that in most cases confidence can be best sustained if the Bank's support is disclosed only when the conditions have improved to a point where the disclosure itself should not be a cause for disturbance. However, he said that, as stated in his report, it is the policy of the Bank that such assistance should be disclosed once the Bank considers that the need for confidentiality has ceased.

The Governor's judgment is that now that RBS has signed up for the asset protection scheme and Lloyds Banking Group has embarked on its alternative strategy for capital raising, there is no longer a need for the assistance to remain secret and it is now appropriate to disclose details. I agree with his judgment.

As the Governor said, from 1 October 2008 the Bank provided liquidity to HBOS, and from 7 October to RBS. Use of the facilities peaked at £36.6 billion for RBS on 17 October and £25.4 billion for HBOS on 13 November. The total use of emergency liquidity assistance across both banks peaked at £61.6 billion on 17 October. At that point, the two banks concerned provided the Bank with collateral—including residential mortgages, Government debt and personal and commercial loans—totalling in excess of £100 billion. The banks were charged fees for the use of the facilities. The RBS facility was repaid in full by 16 December 2008, and the HBOS facility by 16 January 2009. There has been no cost to the taxpayer.

By that time, the Government's recapitalisation of the banking system was in place. That, alongside other action such as the credit guarantee scheme, stabilised the banking system. Because of the scale of these liquidity operations by the Bank of England compared with the size of its balance sheet, I granted an indemnity in October 2008 to cover potential losses in respect of further lending. The indemnity was provided for actions taken by the Bank of England from 14 October 2008 for a period of two months. In return, the Bank of England paid the Treasury a commercial fee totalling £18.9 million.

In my view, it is essential that the Bank has the discretion to provide emergency liquidity assistance when it judges it necessary to do so. Over the past year, we have had to provide extraordinary support in what are extraordinary times. I have kept the House informed with numerous statements and made it clear that we would do whatever it took to stabilise the banking system. As a result, no savers in UK banks or building societies have lost money.

Inevitably, some of the support had to be provided on a confidential basis—something that most people recognise. The judgment on when it is the right time to disclose such operations is a fine one, but I support the Governor's decision to disclose the information yesterday. I commend the statement to the House.

Mr. George Osborne (Tatton) (Con): Let me start by making it absolutely clear that we support the actions taken by the Bank of England to maintain financial stability. I completely agree with the Chancellor that, as a general principle, the central bank must be able to carry out its lender of last resort function with the discretion that it deems necessary to preserve the financial system. Its ability to do so will remain under the reform structure of financial regulation that we intend to implement.

As the deputy governor, Paul Tucker, said yesterday in his evidence to the Select Committee, these loans were a classic lender of last resort operation. So, we support the principle of covert lending operations by the Bank, but of course we also have a responsibility to ask questions on behalf of the taxpayer once the details of such operations are quite rightly made public. I shall therefore first ask the Chancellor specifically about his

[Mr. George Osborne]

role. He said that he authorised the indemnity, but will he confirm whether his authorisation was sought for the loans made by the Bank of England, and indeed its operation?

The Chancellor made this statement because the hon. Member for Twickenham (Dr. Cable) and I put in to ask an urgent question. Surely the Chancellor himself should be the person who initially informs Parliament of operations on this scale, particularly when there are very large taxpayer indemnities that he signs off. It has, of course, taken more than a year for the existence of these loans to be disclosed. What discussions has the Chancellor had with the Governor over the last 12 months about whether the disclosure could have been made earlier? In particular, once the Government had declared their intention to insure the assets of both banks in January this year, what did the right hon. Gentleman consider to be the remaining risks that would have resulted from the disclosure of the loans at that time?

My second question is partly to do with the issue of timing. Is the Chancellor personally satisfied that the Lloyds shareholders were given the maximum possible amount of information about the financial health of HBOS in advance of the merger of the two banks? Was the loan to HBOS fully repaid by the time of the merger in mid-January? What legal advice did he receive about the level of disclosure required, and is he expecting any legal challenges from shareholders?

Thirdly, as the Chancellor implied in his statement, the Banking Act 2009 removed the requirement for the Bank of England to publish a weekly balance sheet. Was the existence of the loans a motivating factor behind that change, which was of course proposed at the time that the loans were in existence? Is it desirable that the Bank essentially has no requirement to publish regular information about its balance sheet? Does he agree that that at least needs to be kept under review?

The sheer scale of the loans—they are more than the entire schools budget—raises the question of how the two banks were allowed to pursue funding models that left them so close to collapse in the first place. Does not that illustrate yet again the total failure of the tripartite system of regulation created by this Government? Does it not underline the need for fundamental reform to put the Bank of England back in charge of banking supervision? That argument is now explicitly supported by Jacques de Larosière, the architect of the European changes, and it is driving reforms in Germany, Belgium and America. Indeed, President Obama's economic adviser Austan Goolsbee said this month that separating bank supervision from central banking can cause one to

"get into a 'left hand doesn't know what the right hand is doing' kind of problem in a crisis".

When asked to cite an example, he singled out the UK, saying that the divided regulatory system had caused "a lot of problems", yet the Government's proposed Financial Services Bill, which we will debate in a couple of days' time, does absolutely nothing to address that flaw at the heart of the regulatory system. We all know why—it was designed by the Prime Minister of this country.

Finally, I should like to ask the Chancellor about something else that the Governor of the Bank of England said to the Treasury Committee yesterday in his comments on Britain's credit rating. When asked whether Britain was at risk of a downgrade, the Governor of our central bank said:

"The longer there isn't a credible plan that sets out what action will be taken on the debt, the more"

there is a risk to that credit rating. Does the Chancellor agree that the only possible interpretation of those remarks is that the Governor does not think that there is currently a "credible plan" to deal with our budget deficit? Why is the Chancellor taking these risks with Britain's credit rating?

Mr. Darling: The hon. Gentleman raises a number of matters, some of which are very important. I should like to deal with them, but I shall begin with a general point. He remarked on the state of RBS and HBOS, and no one could disagree that what the banks did was to get themselves into a situation where eventually they collapsed. However, his points about our regulatory system simply do not hold water, as banks right across the world got into trouble. Lehman Brothers was regulated by the American authorities, as were the other American banks that went down. The hon. Gentleman mentioned Germany, which has also seen banks go down. There was a problem with regulatory systems right across the world, and to suggest that the problem was somehow specific to us simply does not hold water.

I want to make another point about the American regulators. The problem for the Americans is that they have seven or eight different regulators. The Obama Administration are trying to get around it by establishing some sort of council to bring them together. We have only three organisations responsible—the Bank of England, the FSA and the Treasury, which will always be involved where public money is.

If the hon. Gentleman thinks for one moment that merging the work of the FSA and the Bank of England, under which the Bank would be responsible for interest rate policy, macro-prudential supervision and the individual supervision of everything from large banks such as HSBC to an independent financial adviser in Ullapool—doing all that at the same time—he is asking for trouble. The disruption would be tremendous. He should think long and hard—my guess is that he is—about whether he would ever see that policy through in the way that he originally announced it.

The hon. Gentleman asked some important questions, which I would like to deal with and on which I will do him a little more justice. First, he asked an important question about disclosure. The House will remember that during the period of Northern Rock, there was pretty much unanimous agreement that the Bank's inability to act in a confidential way was in itself destabilising. Indeed, the hon. Gentleman wrote to urge me to do something to make it less obvious that the Bank was engaged in such operations, and I agreed with him. The Banking Act 2009 means that the Bank has the discretion as to when it discloses what is going on.

That discretion lies with the Governor of the Bank of England. It ends the obligation to do a weekly return in which, if one looked at it closely, one could see what had been going on. At a time like last year, if people had realised the extent of what was necessary on a day-to-day

basis simply to keep banks open and their cash machines operating—if that had been disclosed at the time, with all that turbulence—far from reassuring people, it would have made a difficult situation much, much worse. I think that the hon. Gentleman agrees with that proposition. That was why we changed the law in the Banking Act—to try to make sure that there was not the exposure that we had in relation to Northern Rock.

It is for the Governor to decide when the information is disclosed. His judgment was that now we have RBS in the asset protection scheme—that agreement was finally signed just this week—and Lloyds is pursuing its alternative action, and with that water between us and the turbulence of last year, it was safe to disclose this information. As I said in my statement, the judgment will always be a fine one, but that was his judgment and I agree with it.

The hon. Gentleman asked the important question, in relation to Lloyds, of what was said. The legal responsibility to shareholders lies with the board of directors of a particular institution. In November 2008, when Lloyds published its pre-merger statement, it said:

"The HBOS Group expects that it will substantially rely for the foreseeable future on the continued availability of these government sponsored arrangements, including central bank liquidity facilities (such as those offered by the Bank of England)".

It put that statement in. It is for the directors of that bank, properly advised, to decide what they disclose, but I can tell the House that the directors of Lloyds were told by the Bank of England of the nature and extent of the operations, so they knew them at the time. The facilities were repaid at the beginning of January, as I said in my statement. I believe that the final vote taken by the HBOS shareholders took place at the end of January 2009.

For the sake of completeness, the current Lloyds prospectus in relation to its raising money on the markets at present discloses that it is receiving money, and the amount that it is receiving through the credit guarantee scheme, so it is telling prospective investors what the position is. That is the position in relation to Lloyds.

The hon. Gentleman asked about the indemnity. Of course, because of the size of what was going on in 2008, I had to indemnify the Bank of England. It has a limited balance sheet, but I felt it was my clear duty. Perhaps not at the time, but looking back, people will think we had to take this action, otherwise we would have been faced with a much more difficult situation.

On the hon. Gentleman's final point, both of us will be at the Dispatch Box tomorrow afternoon, and I intend to return to the wider economy at that stage.

Dr. Vincent Cable (Twickenham) (LD): We all accept that the intervention had to happen and that it was right in principle to have confidentiality. That confidentiality has to be balanced against accountability to Parliament for the expenditure of very large sums of money. The question is why only yesterday it was judged sufficiently safe for the public and Parliament to be given the information. Why, for example, were we not told about it on 7 March, when those banks entered into the asset protection scheme, or in the Budget a few weeks later? If there was still some major doubt about the stability of the banks, why was that not revealed a month ago when the Chancellor made a statement on the completion of the asset protection scheme? Why was Parliament not told then? Why has he waited so long to give us this information? One has to note, as the shadow Chancellor did, that yesterday's announcement occurred not in Parliament but in the middle of a statement from the Governor. That statement was a devastating indictment of the Government's policy of not splitting up the banks, and this announcement was hidden in the middle of it.

My second question is about the Chancellor's clear statement that there was no cost to the taxpayer. Is that true? My understanding of the lender of last resort facility is that it carries a commercial rate of interest, but my understanding of these loans is that there was no interest involved. Will he clarify the position on this? If there was a concessional element to the lending, that would mean that a very large public subsidy was involved, even though the loans were repaid. A very large risk was taken with taxpayers' money, and there was an enormous potential cost. We need to be absolutely clear that that cost was paid for by the banks. Will the Chancellor clarify what the interest rates actually were?

My third question is on the link with Lloyds. The Chancellor has just brought the historical record up to date by reading out what was said by the directors at the time. Indeed, he is quite right to say that there was a general warning that continuing liquidity was required for HBOS, but was it not clear on 1 October, when HBOS became the first bank to require major liquidity help—indeed, half the major package was for HBOS—that this was a can of worms, and that the situation was far worse than had initially been believed? That has been made clear in his statement today. Would not the correct course of action at that time have been to take HBOS into full public ownership in the way that Bradford & Bingley was taken in? Instead, the Lloyds shareholders continued to be encouraged in their belief that this takeover should take place.

My final question is this: are there any other loans that we do not know about? Can the Chancellor give us a categorical assurance that no other financial institutions have outstanding records of loans that have taken place in this emergency about which he has not yet told the House of Commons?

Mr. Darling: I am sure that, when the hon. Gentleman has time to reflect on what he has said, he will agree that his last question was really ridiculous. No Chancellor of the Exchequer or Governor of the Bank of England is going to provide a running commentary on what they may or may not be doing, for perfectly obvious reasons that I would have thought even the hon. Gentleman would recognise. In fact, he did recognise them when Northern Rock was at the height of its difficulties. His question was just plain daft.

I can tell the House that, to a large extent, because of the action that we and the Bank of England have taken, the banking system is now far more stable than it was. We have got through many of the difficulties that we faced, and we are working our way through others. Only by taking that decisive action were we able to do that. I appreciate that the hon. Gentleman has the luxury of being a commentator, as opposed to someone who actually has to do these things, but speaking from the other side of the fence, I can tell him that, because of the action we have taken, the banking system is now far more stable, not just here but in other countries as well.

[Mr. Darling]

The hon. Gentleman went back to the question of Lloyds. I will not read out what I have already said, but the directors of Lloyds clearly have an obligation to their shareholders, and they clearly had an obligation in anticipation of their takeover of HBOS. It was for them—properly advised, as I said—to disclose what they needed to in the prospectus. As the hon. Gentleman knows, there then followed a vote by the Lloyds shareholders and a vote by the HBOS shareholders. Both those votes were overwhelming. It is for the members of the Lloyds board itself to decide what to disclose to their shareholders, and there are all sorts of legal considerations that they have to take into account. It is for them to be satisfied that that was the case.

I really do not accept the hon. Gentleman's argument about splitting the banks. We discuss this at just about every statement and Question Time, and I refer him to what I have said on previous occasions. He should bear in mind that Northern Rock was a narrow bank—a classic retail bank—and it got into deep trouble. At the other end of the scale of exotic activities, there was Lehman's, which did not take a single deposit. It, too, got into terrible trouble. The US authorities at the time did precisely what some people suggested and let it go down. We do not have to speculate about what happened: it brought the entire system down at the same time. I disagree with the hon. Gentleman on that matter.

Several hon. Members *rose—*

Mr. Speaker: Order. Many right hon. and hon. Members want to take part in these exchanges, and I would simply remind the House that we have a further statement and the continuation of the debate on the Loyal Address to follow. I therefore issue my usual appeal to all hon. Members that each of them should ask a single, short supplementary question, and I ask the right hon. Gentleman on the Treasury Bench to provide us with an economical reply.

John McFall (West Dunbartonshire) (Lab/Co-op): At the time of Northern Rock, the Governor came before the Treasury Committee and said that his inability to ensure lender of last resort facilities on a confidential basis was a grievous omission. It is therefore important to remind ourselves that discretion has to be given to the Bank of England and to the Governor in relation to all these issues. There is a separation between the Bank and politics, but the Chancellor knows—as he said in his letter to me yesterday—that emergency liquidity assistance was advanced to HBOS and RBS in October. Was that decision a short-term notice, or part of a long-term contingency plan? Was any consideration given to the right of the Lloyds TSB shareholders to have that information disclosed to them?

Mr. Darling: My right hon. Friend asks me about the decision, and I think that, at the time, the Governor was of the view that we had to provide emergency liquidity assistance. I therefore had to indemnify the Bank for that. Let us remember that the decision related to banks in general; it was not about a specific institution. At that time, we were seriously concerned about the banking system as a whole. This was not about an individual bank, although subsequently—this is obviously how the system works—the Governor had to form a view about HBOS, as he did about RBS. However, my decision—his decision—was taken in relation to the general principle, and that was why we took it.

I should have said to the hon. Member for Twickenham (Dr. Cable) that, yes, RBS and HBOS did pay a fee in respect of the facilities that they got.

Mr. Edward Leigh (Gainsborough) (Con): Chapter 5 of the Treasury's own document "Managing Public Money" says that when indemnities are given by the Chancellor and full disclosure is not possible, he should write in confidence to the Chairman of the Public Accounts Committee immediately to explain what has happened. Will the Chancellor now explain to the House how this procedure was followed at the time?

Mr. Darling: The hon. Gentleman is quite right: there are long-standing provisions that require that, when the Government take on a contingent liability, we write to him in that way. He no doubt forgot to mention that I have written to him on numerous occasions for very obvious reasons, drawing his attention to contingent liabilities. This particular issue of lender of last resort facilities was actually carried out by the Bank of England, however, and not by the Government. When Parliament decided—pretty much unanimously—that the Bank should have discretion as to when to report, it clearly had in mind that there would be times when it would be dangerous to report exactly what it was doing, because to do so might destabilise the system. So there is a distinction between the emergency liquidity assistance provided by the Bank—which is provided for in the Banking Act 2009, although its origins date back to long before that—and the normal procedures that we have, which we have followed at every single turn.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): It is plain that the workers and shareholders of Lloyds were mugged. Does the Chancellor agree that all those who were knowingly party to the mugging should go, if they have not gone already?

Mr. Darling: I am not sure that I accept the general premise underlying my hon. Friend's question. I have said on a number of occasions—today and previously—that the responsibility to shareholders lies with the board of directors, who are there to represent them, and I have read out to the House what they said in the prospectus that they published last November.

Mr. Michael Fallon (Sevenoaks) (Con): Will the Chancellor confirm that neither the amount nor the scale of these loans was reported properly on page 19 of the HBOS prospectus or on page 33 of the Lloyds prospectus, or reported fully in the Bank of England's report and accounts? If shareholders cannot trust a prospectus, and if the public cannot trust the Bank of England's accounts, who can they trust?

Mr. Darling: The prospectuses issued by HBOS and Lloyds are a matter for those banks, and the hon. Gentleman needs to direct his question to the directors who were responsible at the time.

On the Bank of England, I assume that the hon. Gentleman was at the Treasury Committee sitting yesterday, where I think the Governor made the point that he was of the view, when his report was published, that those operations should remain confidential, so he exercised his judgment to withhold the precise nature of what was being done. However, by yesterday, he had judged that the time was right to reveal what had been done. I refer the hon. Gentleman to what I said earlier: it is always a fine judgment on the question of when to make such information available. Had the information been released prematurely and had it caused further problems in the banking system, I am sure that he would have been the first to jump up and complain about it.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend agree that, if the Governor had not had the courage to take the action that he took, instead of sitting here nit-picking about the timing of the announcement, we could have been contemplating the collapse of the banks and the devastating consequences for our constituencies? Will my right hon. Friend therefore congratulate the Bank on having had the courage to put up the money, get it back with fees and charges and protect the national and public interest?

Mr. Darling: The reason why all central banks throughout the world have the power to provide emergency liquidity assistance is obvious: there will be times when a bank or several banks get into difficulties. However, the system will work only if central banks are able to carry out such operations, where appropriate, confidentially. Of course, once the crisis and the difficulties are over and the system is stabilised, the central bank can disclose what it has done, but, as countless debates in this House have reflected, the need for that facility is beyond question.

Mr. Graham Brady (Altrincham and Sale, West) (Con): In the post-mortem on Northern Rock, it became clear that the impediment to covert intervention was disclosure requirements not on the Bank of England, but on the company concerned. Would that still have been true if such covert intervention had been contemplated in the instances under discussion?

Mr. Darling: No, I do not think that there was any difficulty in operating the support for RBS and Lloyds. There was, as the hon. Gentleman knows, a lot of debate about the precise strictures on Northern Rock, and whether a particular European Union directive was a problem, and we are pursuing that. However, I have never taken the view that that was the major problem. Northern Rock appeared then to be an isolated case, although it was clear to many that it was not. The major problem at the time was that, despite the Bank's provision of lender of last resort facilities, far from reassuring people it had the opposite effect. However, I do not think that the European directive was ever the major sticking point, but we are pursuing the matter.

Mrs. Anne McGuire (Stirling) (Lab): I, like my hon. Friend the Member for Northampton, North (Ms Keeble), congratulate the Bank and, indeed, the Chancellor on the speedy action that they took 12 months ago. There is a danger, 12 or 13 months after the event, of trying to second-guess judgments that were extremely difficult at the time. This morning, as I listened to Radio 4, I thought it faintly bizarre that one criticism of the whole effort was that it had been kept confidential, and that not even Robert Peston had managed to find out the information. Does my right hon. Friend share that thought? I congratulate those who maintained that confidentiality over the past 13 months. Perhaps we could have a little more of it.

Mr. Darling: I am grateful for what I take from my right hon. Friend to be a general message of support.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): In the Chancellor's answer and supplementary answer to my hon. Friend the Member for Twickenham (Dr. Cable), he mentioned the fee that was paid, but he did not address the interest rate. Was it a commercial rate of return, or was there an element of public subsidy?

Mr. Darling: The fees are meant to reflect the cost to the public purse. At the time when such work is done, it has to be done very quickly, so the arrangements are not like a normal commercial loan. However, the most important thing is that the money was repaid, and it was fully covered.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I congratulate the Chancellor on an excellent statement and on his firm grasp of complex issues. However, what advice would he give to a constituent of mine—a small business person—who phoned me this morning and said that he employs 30 people and has done everything that Lloyds has asked him to do, yet there is a danger to his company because the cash-flow problem is simply not being dealt with? He congratulates the Chancellor, as I do, but wonders why the Chancellor's policy of extending the commitment of the banks to small businesses appears in this case not to have been applied.

Mr. Darling: As my right hon. Friend knows, part of the arrangement with Lloyds and RBS is that we have lending agreements. I am not familiar with the individual circumstances of the company to which he refers, but I strongly advise him to take the matter up, as I do, with the person who is responsible for, in this case, the bank's Scottish operations to see whether it can be resolved. I have found that that can be fruitful, at times, although I should not want anyone to think there are not any difficulties even for my constituents.

Mr. Charles Walker (Broxbourne) (Con): Was the HBOS merger a good deal for Lloyds staff?

Mr. Darling: I think that Lloyds staff would no doubt have a view on that matter, but the key thing is that the shareholders of those banks decided whether they wanted to go ahead with the merger. The responsibility for passing information to shareholders and prospective investors lies fairly and squarely with the boards of directors of both banks.

Mark Durkan (Foyle) (SDLP): Will the Chancellor confirm that at no point did he instruct or advise the Governor not to disclose before yesterday? When did the Chancellor become aware of the Governor's decision to disclose?

Mr. Darling: The Governor and I have many discussions about a wide range of matters, as the House will know. However, it is quite clearly for the Governor to decide whether those operations are necessary—especially at that time, the end of 2008 and the beginning of this year. Of course, we talked about those things regularly, and it was for him to decide when he decided to make the disclosure.

Anne Main (St. Albans) (Con): What, if any, bonuses were paid to the banks during the period of the emergency loans?

Mr. Darling: I need to write to the hon. Lady. My recollection is that the bonuses for that financial year would have been announced subsequent to that, but I do not want to mislead her. Bonus payments are generally announced in spring, and that would have been after the payments were repaid.

On the hon. Lady's general point, I must say that there is not a bank in the world that does not owe a great deal to taxpayers throughout the world, because, if they had not stepped in, every single bank would have been affected—not just those that we had to support directly. If we had not stepped in, the banks that we are discussing would have gone down, and the wider problem for all of us is that the situation would not have stopped there: it would have brought down the rest of the banking system and large parts of the economy. No Government could possibly have contemplated that.

Mr. Graham Stuart (Beverley and Holderness) (Con): Covert lending is one thing; encouraging a bank to merge with a recipient is quite another. Surely a merger without complete information, but with a gargantuan loss of shareholder value, should simply not have been allowed in those circumstances.

Mr. Darling: As I said, the decision to go ahead with the merger was eventually taken by the shareholders of both Lloyds and HBOS. They had a vote, and the obligation, as the hon. Gentleman well knows because I can see it from his smirk, lies fairly and squarely with the directors to tell the shareholders what they know.

Mr. Stuart: They weren't allowed to.

Mr. Speaker: Order. I say to the hon. Member for Beverley and Holderness (Mr. Stuart) that I have been good to him: I have got him in—he has asked his question. He must listen to the reply.

Mr. Darling: I am not so sure that the hon. Gentleman is interested in the reply, but as I said earlier the Lloyds directors were fully aware of the circumstances in relation to HBOS. They were told by the Bank of England.

Mr. Brian Binley (Northampton, South) (Con): I will be good, Mr. Speaker. The Government have thrown billions at the banks while the banks have hardened their attitude enormously to small business, to the point where they refuse to extend overdrafts and force expensive loans on small businesses, which do not want them but have no option but to take them. Will the Chancellor look into that business and come back to the House to tell us that he has changed what is an unsatisfactory process for small businesses?

Mr. Darling: I suspect that we will have ample opportunity to return to that tomorrow afternoon on the last day of the debates on the Queen's Speech. Let me just make a general point. Yes, over the past 18 months or so we have had to put a substantial amount of money into the banking system. However, I remind the hon. Gentleman, and the House, that the exceptional liquidity assistance was repaid. As for the other schemes, fees are charged for the credit guarantee scheme, and the money has to be repaid under the special liquidity scheme. Ultimately, of course, we will get back the money that we have put into RBS and Lloyds when we come to sell those banks at whatever time is appropriate.

Dr. John Pugh (Southport) (LD): Will the Chancellor of the Exchequer publish now or in future the rate of interest charged, and if not, why not?

Mr. Darling: I am happy to discuss further with the Governor of the Bank of England what further information we can put before the House. The general point of importance is that when these facilities are provided the banks have to lodge collateral, they have to pay a fee, and we get the money back.

Mr. William Cash (Stone) (Con): The Chancellor knows that over the past year I have repeatedly asked him about the true level of indebtedness of the United Kingdom. He also knows that the Office for National Statistics itself has had some difficulty in obtaining the figures; I have raised that issue with him. Would he be good enough to tell me whether the ONS was informed at the appropriate time about the matters that he has raised today? Has it been given the truth, in line with its new independence under the Statistics and Registration Service Act 2007, on which we wholly rely; and has it raised any matters of concern, as it is entitled to under the Act?

Mr. Darling: The ONS's concern is about how the banks in which we have shareholdings should be accounted for in the national statistics. The hon. Gentleman is well aware of the conclusion that it has reached. The responsibility for loans of this nature is properly a matter for the National Audit Office, as well. Between all the public authorities, I hope that there will be sufficient examination and disclosure of what is going on. Now that the situation has stabilised, I think there is no difficulty in explaining to people exactly what happened. Indeed, there is everything to be said for doing so, especially for those people who thought at the time that we were doing things that were precipitate or that we perhaps did not need to do. I am afraid that just over 12 months ago we were faced with a quite extraordinary set of conditions that required very dramatic and unprecedented action.

Sammy Wilson (East Antrim) (DUP): I think that the whole House recognises the importance of the Bank of England's acting as lender of last resort to ensure the liquidity of the banking system. However, does the Chancellor accept that that then places an obligation on these banks not to cause liquidity problems for their customers by the unilateral withdrawal of overdraft and loan facilities or unexpected changes in those conditions? What price has he sought to extract from the banks for this continued level of public support?

Mr. Darling: I updated the House in my statement at the beginning of November. In view of what Mr. Speaker said, I am not going to repeat that, but I urge the hon. Gentleman to look at it. In it, I set out what the arrangements were and what the banks were paying. I agree with him, and with other hon. Members who have raised this, that there is still a particular problem with small businesses getting funding; that is something that we are pursuing.

On the particular cases, I strongly advise him, as I advised my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), that it is well worth taking the matter up with the bank concerned; sometimes matters can be resolved, sometimes not. There is a general problem in this regard. In the case of HBOS customers, for example, there is no doubt that that bank's pricing policy caused it massive problems in not reflecting the true cost of making the loans. Obviously, I do not know what business or bank the hon. Gentleman is referring to, but I strongly advise him to pursue the matter with the bank concerned if he has not already done so.

Mr. Andrew Pelling (Croydon, Central) (Ind): The Chancellor chastised the hon. Member for Twickenham (Dr. Cable) for asking questions about what other secret arrangements there might be, and suggested that he should be more than a commentator—he may well be so in the next Parliament. Does he think that in the context of the real drama that occurred 13 months ago, it would have been better if Lloyds Banking Group had used the asset protection plan instead of going to equity holders, whose confidence would have been shaken by the fact that they were not properly advised of the bank's circumstances?

Mr. Darling: The asset protection scheme was not announced until the middle of January, which is of course after the events that we are talking about. The exceptional liquidity assistance had to be provided for at the time. It started as we were working up the capitalisation scheme and then putting it in place, so it predated the asset protection scheme. Had the asset protection scheme been in place and operating, the situation might have been different, but I do not think that anyone would be in a position to say that.

Mr. Rob Wilson (Reading, East) (Con): Does the Chancellor have a view about how much the taxpayer, and the country, can be allowed to guarantee to banks—that is, how much the country can afford in current circumstances?

Mr. Darling: I am quite clear not only that what we did last year was right but that we could afford to do it. I am afraid that the hon. Gentleman must ask himself another question. We saw what happened in America when the then American Government let Lehman Brothers go down—it resulted in the American banking system, and very soon the rest of the banking system, going down too. *[Interruption.]* If the hon. Member for Tatton (Mr. Osborne) wants to discuss my phone call, I will happily discuss it with him, but I am very glad that I did not take on the responsibility for an American bank; otherwise, I suspect that he would have a lot to say about it.

Mr. Peter Bone (Wellingborough) (Con): In the Chancellor's statement, he says that £100 billion was taken in collateral by the Bank in support of these massive loans. Will he publish the document supporting that collateral and put a copy in the Library?

Mr. Darling: I would need to discuss with the Governor whether that was appropriate.

John Mason (Glasgow, East) (SNP): We accept that in the short term confidentiality is a good thing that gives confidence, but in the longer term openness gives confidence as well. In future, will the Chancellor encourage the Bank of England to report as soon as loans have been repaid?

Mr. Darling: I refer the hon. Gentleman to what I said earlier. The judgment for the Governor has to be when to disclose, and he has to take into account all the appropriate circumstances, not only in relation to when the loan is to be repaid. The hon. Gentleman will recall that at the time when these loans were being repaid—either side of Christmas and the new year last year—there was a great deal of turbulence in the system as a whole, which is why the Governor understandably decided that he thought he should let matters stabilise. The hon. Gentleman will no doubt want to reflect on this: the key thing is that we had the resources of the Bank of England, and therefore the UK Government, to intervene to deal with two Scottish banks that had got themselves into terrible difficulties. That has certainly given most people in Scotland pause for thought—it is time that the nationalists thought about it as well.

Scotland's Future in the UK

1.18 pm

The Secretary of State for Scotland (Mr. Jim Murphy): With permission, Mr. Speaker, I would like to make a statement on Government plans about devolution in Scotland: for a stronger Scotland in a stronger United Kingdom.

Devolution has proved itself to be the right form of governance for Scotland. Scots know that as part of the United Kingdom we have the best of both worlds. First, Scots are proud of the Scottish Parliament and the way that it allows them to find what the late Donald Dewar called "Scottish solutions to Scottish problems". Secondly, the economic events of the past year demonstrate again the added strength of being part of the UK, the fifth largest economy in the world. While Britain brings strength to Scotland, Scotland brings breadth to Britain.

The White Paper that we are publishing today takes forward the recommendations from the final report of the Commission on Scottish Devolution; again, I would like to put on record our thanks to Sir Ken Calman and his commissioners. On 15 June this year, I welcomed the commission's report on behalf of the Government. I pledged to take the recommendations forward, with consensus and momentum. That is why we established a cross-party steering group. I thank representatives of the Labour party, the Liberal Democrats and the Conservative party in the House of Commons and in the Scottish Parliament for working together on that group.

The commission concluded that devolution has been a "remarkable and substantial success". It brings government closer to the people of Scotland and secures Scotland's position within the United Kingdom. In order to refresh the settlement, the commission made recommendations in three distinct areas. First, it recommended that closer working was needed between the UK Parliament and the Scottish Parliament and between the UK Government and the Scottish Government. Secondly, it recommended that a new, more accountable means of financing devolved spending in Scotland was needed, to strengthen the financial accountability of the Scottish Parliament. Thirdly, it recommended that while the division of responsibilities between the UK Parliament and the Scottish Parliament works well, some changes could be made in both directions to further strengthen the devolution settlement. The Government agree with the commission's conclusions, which were based on a wealth of evidence.

I turn to the first of those recommendations. Scotland has two Parliaments—this Parliament, which remains an important symbol of the UK and continues to have vital daily relevance to Scotland, and the Scottish Parliament at Holyrood, which has firmly established itself over the past decade in Scottish hearts and minds. The commission recommended that the two Parliaments should examine how they work together in the interests of Scotland and the UK. Many of the recommendations are first a matter for you, Mr. Speaker, and for the Presiding Officer in the Scottish Parliament, and I have had the opportunity to meet you both separately.

The core of the commission's recommendations is about funding for Scotland. Under this Government, public spending across the UK increased in real terms by 42 per cent. in the decade after 1997. The Barnett formula meant that Scotland got the same per-head increase over that period. The commission recognised the benefits of that funding mechanism and how it had given the Scottish Parliament a good start, but 10 years on, it recommended a new deal on funding, retaining the stability and fairness of the block grant while improving accountability.

Since the first day of devolution, the Scottish Government have been accountable for how they spend taxpayers' money. Under today's proposals, they will also be held to account for how they raise it. We will give the Scottish Parliament greater freedom, but also the responsibility, to set the level of income tax in Scotland. In future, the size of Scotland's budget will be down to decisions made in Scotland. In addition to new tax powers, we will give the Scottish Parliament new powers and responsibilities on capital borrowing. We will also devolve stamp duty land tax, aggregates levy and landfill tax, and we will keep the commission's recommendation about air passenger duty under review.

While we rightly celebrate today the strength that the Union of the United Kingdom provides, that unity does not mean uniformity. So in addition to a new deal on funding, we agree in principle to devolve new powers to the Scottish Government and the Scottish Parliament. On the power to regulate air weapons, the Government have kept controls under close scrutiny and there are encouraging signs that recent changes are having an effect. However, the Government agree in principle to devolve the regulation of air weapons to the Scottish Parliament.

We will also devolve the power to set the drink-drive limit. We believe that there are benefits to having a single drink-drive limit in place across Great Britain, but there are no overwhelming reasons why the limit should not be devolved. Additionally, the Government will ensure that Scottish Ministers have the power that they need to determine the national speed limit in Scotland, along with their existing broad powers to determine speed limits.

Elsewhere we will take the opportunity, as the commission recommended, to reserve powers to the UK Parliament where experience has shown that a common approach across Britain or the UK works better. For example, we will reserve the regulation of all health care professions to ensure a consistent regulatory regime across the country.

The full package of proposals is set out in the White Paper that we are publishing today. We will continue to take our plans forward with consensus and momentum, and we will introduce a Scotland Bill as soon as possible in the next Parliament to introduce the Calman package. We will phase in the new financial arrangements carefully, and we plan to have the changes in place during the next term of the Scottish Parliament.

Support for Scottish devolution remains strong in Scotland and elsewhere in the UK, and so does support for the Union of the United Kingdom. The plans that the Government are setting out today will create a stronger, more accountable Scottish Parliament within the framework of the United Kingdom. That strength through unity is a great asset, and today is an important step in building a stronger Scotland and a new deal for devolution. I commend this statement to the House.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I thank the Secretary of State for his statement, for the advance notice of it and for the extent to which both he and his predecessor have engaged with fellow Unionist politicians in Scotland during the Calman process. I also put on record my thanks to the commissioners for their work. The Conservatives fully supported the setting up of the commission and have played a full part in its work.

I look forward to reading the White Paper, but does the Secretary of State concede that the timing of it so near an election inevitably means that the issue will have to be revisited by the next Government? Does he acknowledge that his Government's White Paper should not bind any incoming Conservative Government? Conservatives accept that the Scottish Parliament needs to be more financially accountable, that the devolution settlement needs to be tidied up and that Westminster and Holyrood need to start working constructively together for the good of Scotland and Britain, but we will ensure those things through our own White Paper, not this Government's proposals launched in the dying days of this Parliament. Will the Secretary of State welcome that commitment and undertake to continue in the spirit of Calman, on the basis of consensus and momentum, regardless of who is in government, and resist the temptation to play party politics with such an important issue as Scotland's constitution?

Will the Secretary of State acknowledge that the guiding principle in deliberations on the Calman process has been, and must continue to be, securing Scotland's position within the United Kingdom? Is he as heartened as I am by recent polling in Scotland that demonstrates that there is very little support for separatism and an independence referendum? Does he accept Sir Kenneth Calman's view that the establishment of better working relationships between the British Government and the Scottish Government and between the Parliaments here and at Holyrood must be in place to underpin every other recommendation in his report? Given that most of the measures to improve relationships do not require any legislation, can he tell us what he will do to re-establish the good will between Westminster and Holyrood, which appears to have ebbed away?

Whatever differences we may have with the Labour Government about how to take forward the Calman recommendations, may I invite the Secretary of State to agree with me that they are as nothing compared with the divide between us and the Scottish National party? We are Unionists; they are separatists. We are in the mainstream of the constitutional debate; they are on the extreme.

However, does the Secretary of State also agree that there are no grounds for complacency? The Calman commission contrasts markedly with the so-called "national conversation", whose main participants appear to be insomniac cyber-nats. Is it not the case that the work of the commission, not Mr. Salmond's publicly funded, self-indulgent chit-chat, will endure and form the basis for taking—

Mr. Speaker: Order. I appreciate that the hon. Gentleman is in the midst of his rhetorical flow, but I appeal to him to remember that when he is referring to a right hon. Member of the House, he must do so with respect to the constituency rather than by name.

David Mundell: Is it not the case that the First Minister of Scotland's publicly funded, self-indulgent chit-chat will not survive? It is the work of the commission that will endure and form the basis for taking forward the devolved settlement in Scotland for the benefit of the people of Scotland and Britain.

Mr. Murphy: I agree with one of—*[Interruption.]* I apologise to you, Mr. Speaker, for the hullabaloo and noise in the Chamber, but you will be aware that when these debates take place and Scottish MPs get together and argue so passionately on Scottish issues, it is a bit like watching a family argue.

I agree with one of the main points that the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) made, which is that the recent polling evidence is pretty clear—most Scots are fiercely patriotic and love Scotland, and like ourselves believe in Scotland and have a great sense of our history and our future, but they have dual identity and also have a belief in being part of something bigger. That unites most Scots and people across the rest of the UK. I got in trouble for saying this some time ago, but I happen to believe that the Scottish Government made quite a good start after they were elected with the energy and excitement that took them over the finishing line. However, like most people in Scotland, I am starting to believe that they are a novelty that is wearing off.

On the points that the hon. Gentleman made—*[Interruption.]*

Mr. Speaker: Order. I recognise that the exchanges at this stage are relatively good natured, and that there are many smiles on faces and so on, but I say to the hon. Member for Perth and North Perthshire (Pete Wishart) that I think he is setting a bad example. If he were in a school class, he would be in some danger of detention. I do not want to see that.

Mr. Murphy: The five SNP Members—the other one is up the road—continue to shout across the Chamber, but most people in Scotland have stopped listening to them, regardless how loud they shout. The by-election result in Glasgow showed that absolutely conclusively.

However, on the substance of the points raised by the hon. Gentleman, most Scots want to see this Parliament and the Scottish Parliament working much better together and the UK Government working much more closely with the Scottish Government. I suspect that at local level, they would like to see Members of Parliament, Members of the Scottish Parliament and local councillors, of all parties, particularly at a time of recession, working together and trying to set aside, where they can, partisan divides. That is why it is pretty disappointing that, when there is a raft of proposals about better working relationships—we are interested in taking them all forward and working through them—the Scottish Government have just flatly refused to accept two thirds of them.

That is probably because they are not really interested in embedding the working relationships between the UK and Scottish Parliaments in the medium term, because they want to rip Scotland out of the UK. As the hon. Gentleman alluded to, it is important to have a greater sense of teamwork, which we have had through this process, with Labour, Liberal Democrats, Conservatives, and business and trade union leaders, involved in the Calman process and the steering group.

[Mr. Jim Murphy]

Finally, much of the hon. Gentleman's speech was—*[Interruption.]* Much of it was humorous rather than informative. We look forward to hearing the detail of his response to the White Paper once he has had the chance to read it in greater detail.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I, too, thank the Secretary of State for his statement and for advance sight of it prior to coming to the Chamber. I also place on record my party's gratitude to Sir Kenneth Calman and the members of his commission for their very substantive and substantial piece of work. I should also place on record some recognition of the contribution of the Secretary of State's predecessor, the right hon. Member for Kilmarnock and Loudoun (Des Browne), who was instrumental in introducing this process.

On the substance of the White Paper and the Secretary of State's statement, I am completely in support of the Government's position, which is of practical as well as constitutional significance. For those in Scotland who want a new Forth bridge, for example, and who see it as vital to Scotland's economic future, there is now no barrier to its delivery. If the Government in Edinburgh want to delay it further, they will have to blame themselves rather than looking south of the border.

However, I must ask the Secretary of State what his White Paper really adds to the process apart from further delaying implementation when there is consensus, and giving the Conservatives an opportunity for the sort of backsliding that we have just seen. I listened to the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) speaking about producing another White Paper the other side of a general election, and I could almost hear the ghost of Sir Alec Douglas-Home speaking prior to the 1979 referendum. He promised that we would get something better from the Conservatives, but they betrayed us after the 1979 election, and they would betray us again tomorrow given half a chance which, fortunately, they are unlikely to get.

May I also remind the Secretary of State that Calman was established because we wanted to make the UK work better? In order to do that, we must now move forward with the work that Calman acknowledged needed to be done, and we must find a needs-based formula to replace the Barnett formula. When will the Secretary of State and the Government understand that serious threats to the future of the Union, which exist, can come from the south as well as the north of the border?

Mr. Murphy: I thank the hon. Gentleman for his kind remarks about the process and his gracious comments about my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne). The whole House acknowledges the phenomenal amount of energy that he put into the process. I also thank the Scottish Parliament which, of course, initiated the whole process, despite the Scottish Government not participating.

I am not going to referee the disagreement between the Liberal Democrats and the Conservatives. I am determined simply to try to find a common purpose, maintain consensus and drive forward with momentum.

The hon. Gentleman is right to say that there is now a new capital borrowing power from the national loans fund. That has been demanded in Scotland and it is right that after the Calman commission recommended it, the Government are now committed to it.

The hon. Gentleman and the House will be interested to know that Sir Ken Calman made 63 recommendations. Twenty-one were for the Parliaments, but 42 were for Her Majesty's Government, and we are committed to taking forward 39 of them. We have been very clear about this: it is our intention to introduce a Bill, as soon as possible in the next Parliament, to put those measures in place during the next Scottish Parliament. I think that that will be welcomed across Scotland.

Finally, on the hon. Gentleman's point about the time scale, Sir Ken Calman himself said that

"it is...a package of 63 recommendations which hang together."

It is our intention to deal with them as a package in a Scotland Bill early in the new Parliament.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. Many Members are hoping to catch my eye, and they will be aware that the debate on the Queen's Speech will continue after the statement. I therefore ask for a single, brief question and a similar response.

Mrs. Anne McGuire (Stirling) (Lab): Does my right hon. Friend the Secretary of State agree that both the constitutional convention that established the Scottish Parliament—at least, it built the momentum for its establishment—and the Calman commission brought consensus within Scottish politics? The results of the convention and the commission are due to the dedication, commitment and hard work of the people who participated. The one constant that was absent from both processes was the Scottish National party which, when it comes to the crunch, is more interested in what is important for the SNP than in standing up for Scotland.

Mr. Murphy: My right hon. Friend is absolutely right. The constitutional convention that brought about the Scotland Act 1998 was boycotted by the SNP, and the Calman commission, which has brought about this White Paper, has been boycotted by the SNP. As she said, the fact is that the SNP is so obsessed with breaking up Britain by ripping Scotland out of the heart of the UK that it refuses to find common cause with anyone else across the whole of Scotland. That obsession is increasingly a minority sport in Scotland.

Mrs. Eleanor Laing (Epping Forest) (Con): I entirely agree with what the Secretary of State just said. I warmly welcome the Unionist consensus that has brought about this excellent report from Sir Kenneth Calman and the greater accountability that will flow from it. However, does the Secretary of State agree that there is a danger that a consensus of the left—the Labour party, the SNP and the Liberals—would be likely to bring about an increase in taxes under the plans for greater accountability, whereas what Scotland really needs for economic growth and an increase in jobs and prosperity, is a Government who, when fiscal ability allows, will cut taxes? The only Governments who ever promise to do that are Conservative Governments.

Madam Deputy Speaker: Order. I asked for brief questions, and I must insist on brief questions.

Mr. Murphy: The hon. Lady is right in some respects, but she is wrong to describe the SNP as a party of the left. It is a party of all things to all people, depending on

which part of Scotland it is seeking votes from. The quasi-revolutionary party seen in parts of Glasgow is different from the small-c conservatives seen in Perthshire. Nevertheless, she is right about one thing: the Scottish Parliament is currently responsible only for spending money and there is an accountability gap. We want to right that and complete Donald Dewar's unfinished business by having a greater degree of accountability in Scotland for money that is raised in Scotland.

David Cairns (Inverclyde) (Lab): Does my right hon. Friend agree that devolution ought not to be about simply moving powers from one institution to another, but about empowering the people of Scotland in their local communities? We should be much bolder than we are about removing powers from this place and from the Scottish Parliament to ensure that local communities, councils and health authorities are empowered to meet the needs of the people of Scotland. Now is the time to do that, given that the wheels are now well and truly off the nationalist bandwagon.

Mr. Murphy: My hon. Friend is right. We are doing what will work best for Scotland and the UK, which is why we would have powers in the House of Commons on health care professionals and we also want unified arrangements on charity law and insolvency. My hon. Friend has played a pivotal role in bringing about this process, and it is right that we should extend devolution beyond the Scottish Parliament into local communities to people and their families. That is why the future jobs fund is so important: it is about local communities, the voluntary sector and local authorities working together in a team approach to get families through this global recession.

Angus Robertson (Moray) (SNP): I thank the Secretary of State for the advance copy of his statement. I note how pleased Labour and Conservative MPs have been to agree with what he has said so far.

I am pleased that there is a growing consensus that normal nations should make decisions for themselves while working closely with their neighbours and friends. The best future for Scotland is guaranteed with the full powers of independence, and the people should be able to decide that in a referendum. We should bring that referendum on.

There is cross-party consensus that we should devolve decision making on air weapons, the drink-drive limit and the speed limit. Given the agreement of the Scottish Government since June to implement these measures immediately through statutory instrument, why are they being put off by Whitehall until after the election? What explanation will the Secretary of State give to the mother, father and family of a victim who could have been saved from harm, but was not because the UK Government did not act for a year?

Mr. Murphy: I am not sure that that contribution was worth waiting for. The issue of air guns, for example, will require more than a press release. It is much more difficult to write and pass a law than it is to write a flimsy, superficial press release for media consumption. We have moved considerably on air guns and the UK Government have changed their view, but making that happen will require primary legislation in the House of Commons, which is much more complicated that issuing a simple nationalist press release.

The problem for the hon. Gentleman and the SNP is that he always behaves like a nationalist and never behaves like a patriot. A nationalist puts the SNP first, but a patriot puts Scotland first. That is the difference between my party and his, and why Scotland is increasingly turning its back on the SNP.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): I congratulate my right hon. Friend on his approach to the Calman commission. It is exactly what was envisaged by those people involved in the constitutional convention. Does he share my view that this is a coherent package of measures that includes evidence supporting the assignment to the UK Parliament of those measures that should be so assigned, and that it should be delivered as such?

Mr. Murphy: My hon. Friend is right. Unlike the half dozen or fewer SNP Members, she is not interested in playing these nationalist games of pick and mix. We are doing what is right for Scotland, and strengthening it inside the UK. When Sir Ken Calman proposed changes in the reservation of powers on insolvency, charities and health care professionals, we were attracted to the idea of a UK-wide position in those areas, and we have said so in the White Paper. We were less attracted to the food labelling proposals, for good reason.

Most Scots know that they get the best of both worlds through having a Scottish Parliament and a UK Parliament. They get a strong, patriotic and important Scotland inside the fifth largest economy in the world, and they will continue to celebrate that. We are stronger together, and we would be much weaker apart, as the economic circumstances of the past year have proven conclusively.

Philip Davies (Shipley) (Con): The biggest threat to the UK does not come from Scotland, but from England. If the Secretary of State does not do something to stop Scottish MPs voting on legislation that applies only to England whereas English MPs have no decision-making influence on Scotland, or something to make the funding formula fairer to England, the threat to the UK will come from England.

Mr. Murphy: Knowing the hon. Gentleman as I do, when he talked about the threat to the Union, I expected him to say that it came from the European Union. People across the UK know about our shared heritage. We share these islands and we have so much in common. We are fiercely defensive and supportive of each other. We have together achieved so much over the decades and I believe that our strongest and best days lie ahead of us. We need to ensure that the Scottish Parliament has additional powers, but I hope that his constituents will be reassured by the fact that this is not about additional money for the Scottish Government. It is about additional accountability and the holding to account by the people of Scotland of the Scottish Government not only for what they spend, but for how the money is raised. That is an important constitutional innovation.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): On a practical point in connection with the drink-driving limits, is it not imperative that if a variant were introduced, both Administrations—in Edinburgh and here—should work together to prevent motorists from becoming confused?

Mr. Murphy: My hon. Friend is characteristically correct. There is an attraction in having similar or the same drink-drive limits across Great Britain, but based on the evidence provided to Calman, we have decided that there is a case for devolving that power to the Scottish Parliament. It would have to think very carefully about introducing a different limit for Scotland and the possible consequences, but it will be for it to decide ultimately. We joust across party divides on such matters and the SNP may be many things, but it is not foolish. It knows that if it were to introduce a different drink-drive limit, it would have to have some degree of co-operation, education and information for drivers and police forces, especially in those areas just north and south of the border.

Willie Rennie (Dunfermline and West Fife) (LD): Despite all the noise in the Chamber, there is a cross-party consensus and even the SNP Members are behind these proposals. The Bill would get a smooth passage through this House and the other place. I cannot understand why, when the practical benefits would include the funding of the Forth crossing, we cannot just get on with it. We would be right behind the Secretary of State.

Mr. Murphy: I thank the hon. Gentleman for his interest in this and his commitment to the package that we unveiled today. As Sir Ken Calman has said, this is a package of 63 recommendations which hang together. We intend to take forward 39 of the 42 that apply to the Government. On the question of the Forth road bridge, there is a deal on the table. The Scottish Government have unprecedented flexibility, not matched in any other Department in Whitehall or other part of the UK Government, and £1 billion that would help to make the Forth road bridge a reality. Unfortunately, for reasons of ideology, they are turning their back on that unprecedented deal. They have the constitutional right to be wrong, but it is not too late for them to change their minds.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): Does the Secretary of State agree that, for the sake of Scotland, it is a pity that the SNP did not support the Calman commission, and that we should now have an end to the constitutional wrangling when the proposals are put into effect?

Mr. Murphy: My hon. Friend is on the money again when it comes to such issues. The SNP has set its nationalist face against sensible, radical reforms entrenching Scotland within the United Kingdom. She is also right that, as important as the measures that we announced today are, our biggest priority is to get Scotland through the recession and to work with people who are out of work to get them back into work as soon as possible. In publishing the White Paper, seeking a consensus and driving momentum, I want to return soon to getting Scotland back to work in this recession—because that is the public's obsession in Scotland, even if it is not the SNP's.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Is the Secretary of State aware that the Constitutional Affairs Committee's report on devolution 10 years on is in line with the Calman recommendations, but warned that the stability of the Union was threatened by the fact that the governance of England had not been addressed and that it was still governed in a relatively centralised way by what is supposed to be the Government of the United Kingdom?

Mr. Murphy: The right hon. Gentleman speaks with authority, through his Committee work. As he knows, of course, we have devolved powers across the United Kingdom—to Northern Ireland, London, Scotland and Wales. That has not always been to our political advantage, as Scotland—and currently London—shows, but it was the right thing to do. Our unwritten constitution has never been a precise settlement, and today is an important step towards ensuring greater accountability. When we have closed the gap in the Scottish settlement and completed Donald Dewar's unfinished business, the Scottish Government and Parliament will have to take annual tax decisions. Instead of blaming London or Britain—bizarrely, in the light of events over the past year—people in the Scottish Parliament will have to look in the mirror when it comes to Scotland's future and the size of its budget.

John Robertson (Glasgow, North-West) (Lab): I thank my right hon. Friend, his predecessor, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne) and my constituent Sir Kenneth Calman for their work, and I am sure that my predecessor, Donald Dewar, would have been most pleased with what they have come up with. However, will they reconsider some of the reserved issues, such as energy, on which Scotland will miss out on billions of pounds of investment in areas such as Hunterston and Torness, where no one is allowed to build nuclear power stations because of some stupid, idiotic rule brought in by the Scottish Government?

Mr. Murphy: I am happy to pay tribute to my hon. Friend's constituent, who has done a remarkable job over the past few months, and I am honoured to pay tribute to the late Donald Dewar who did so much to bring about the institution of the Scottish Parliament. He served with enormous distinction as the first First Minister of the Scottish Parliament.

The SNP is wrong on nuclear power stations, but again—I return to this point—the constitutional arrangements enable it to be wrong. My hon. Friend's frustration about its nuclear policy is a stronger argument for changing the Government in the Scottish Parliament than for changing the devolution settlement, and I am confident that most people in Scotland agree with that.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Recently, a Government Minister, Lord Bach, praised the Isle of Man as beneficial to the UK's economy. The Isle of Man has about the population of Paisley, but has far more independence and autonomy. Why can Scotland not have the powers and autonomy of the Isle of Man?

Mr. Murphy: I mean no disservice to the places that I am about to mention. Previously, the hon. Gentleman has taken us on a virtual tour of the world, although he did not mention the Western Isles. We have heard that Scotland would be wonderful if only it could be like Iceland, which tragically—I do not celebrate this—is in search of an economic purpose. His party has compared Scotland to Ireland, which technically is in depression—as a Murphy, I take no comfort in saying that Ireland is in

real difficulties. Now the SNP is saying that it is a nationalist cause to be like the Isle of Man. No disrespect to the Isle of Man, but Scotland's future does not lie in being like the Isle of Man. This is another example of the SNP putting its obsession before our country. Most Scots will want their country to be not like Iceland, Ireland—despite our respect—or the Isle of Man, but like Scotland: a proud, equal part of the United Kingdom, which is the most successful union of nations that this world has ever known.

Gordon Banks (Ochil and South Perthshire) (Lab): Improved intergovernmental and inter-parliamentary relationships are necessary for good governance of my constituents. However, does the lack of co-operation by the SNP with the Calman commission put that in jeopardy; or does it simply place the SNP in jeopardy?

Mr. Murphy: My hon. Friend is right that one of the dangers here is that the Scottish Government—*[Interruption.]*.

Madam Deputy Speaker: Order. Please may we have some quiet in the Chamber while the Secretary of State is replying?

Mr. Murphy: I hope that I can reassure you, Madam Deputy Speaker, that hon. Members were shouting not at me—I hope—but at the five across the way.

My hon. Friend is right to say that some of the measures are jeopardised by virtue of the minority Scottish Government continuing to be dogmatic and boycotting the process. They went AWOL on the constitutional convention and were AWOL on the Calman commission and the White Paper. However, the majority view in Scotland will force them to change their mind, because the belligerent obsession with breaking Scotland out of the United Kingdom and holding the immediate referendum is supported by about one person in eight—even fewer than the SNP got in the by-election in Glasgow, North-East.

Dr. William McCrea (South Antrim) (DUP): I think that there is a consensus in the House that devolution is important and good for the people of Scotland and the other regions of the United Kingdom that have it. We, in Northern Ireland, would love to have the luxury of the Scottish people of being able to elect our own Government without enforced power-sharing. However, is it not important that no action be taken to break up the unity of the United Kingdom of Great Britain and Northern Ireland?

Mr. Murphy: I will not second-guess the devolution settlement in Northern Ireland. I have enough complications being Secretary of State for Scotland, so I will not intrude on the challenges facing, and fascination of being, the Secretary of State for Northern Ireland. However, the hon. Gentleman's central point is correct: by all tests of logic and economic rationale, Scotland, Northern Ireland, Wales and England are stronger for sticking together. Look at what has happened over the past year. We can dispute whether we got each policy right, but it is certainly the conviction of the majority of people in all parts of the United Kingdom that over the past year we, on these islands, have been better for sticking together and getting through the recession. With one exception, regardless of party politics, most of us know that we will get through the recession, partly because of the strength that the United Kingdom gives us.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Does the Secretary of State agree that the announcement of the Government's commitment to the policy on devolution means that the next general election in Scotland will effectively be a referendum between, on the one hand, separation, isolation, job losses and misery and, on the other hand, strengthened devolution, continued shipyard orders, happiness and joy?

Mr. Murphy: Believe it or not, but that is the hardest question that I have had to respond to all day. We have a big choice to make over the future constitutional arrangements in Scotland. The majority of Scots are on one side—of strengthening the Parliament—and the SNP is on the other side. It is entitled to be there, but ultimately the next election will be a two-horse race in Scotland—it is the same two-horse race in the rest of Great Britain—between the Labour and Conservative parties. Increasingly, the SNP is a sideshow in the two-horse race, and most people in Scotland know that.

Mr. Andrew Pelling (Croydon, Central) (Ind): I know that the Secretary of State was trying to be whimsical when he said that this was mainly a matter for robust debate among Scottish Members, but does he agree that the matter is also important to English Members? Would it not be appropriate for the Government to invest time in producing a contingency plan for independence, if only so that the Secretary of State has the opportunity to show how strongly he feels that Scottish independence would be disruptive?

Mr. Murphy: It is important to maintain that careful consensus across the United Kingdom about funding and powers. I welcome the fact that the hon. Gentleman is in his place today, because I know that he takes an interest in those issues. I do not want to second-guess his constituents, but I would guess that they too have a sense that there is something special about the shared heritage of these islands and something remarkable about all that we have achieved together. Regardless of the to-ing and fro-ing over specific disagreements that we might have across party divides, being part of the United Kingdom is great for Croydon—I know that there is no attempt to remove Croydon from the United Kingdom—and great too for the four nations of the United Kingdom. However, I am happy to talk to the hon. Gentleman some more about the issue, if he thinks that would be helpful.

Point of Order

2 pm

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Madam Deputy Speaker. I have given Mr. Speaker and the Leader of the House notice of my point of order. I wonder whether I might inquire into whether there is anything that you can do to ensure that we get proper debate on the Equality Bill. You will know that it is a Bill of 205 clauses and 28 schedules, with 34 new clauses, two new schedules and 52 amendments tabled already, and we have not yet seen any Government amendments or new clauses. The Leader of the House has given two clear assurances at the Dispatch Box that she would not only discuss the timetabling of the Bill with Opposition Front Benchers, but ensure that the handling of the Bill on Report would be such that the Bill would be an exemplar. So far she has not engaged with Opposition Front Benchers about timetabling, and if we have only one day on Report, the only example that the Bill will set will be a poor one. What can you do, Madam Deputy Speaker, to ensure that we get proper debate on that matter?

Madam Deputy Speaker (Sylvia Heal): I thank the hon. Gentleman for giving Mr. Speaker notice of his point of order. However, he will not be surprised to hear that it is not a point of order for the Chair. None the less, his comments are on the record and they will have been heard by those on the Treasury Bench. Tomorrow is business questions, when I have no doubt that he will have an opportunity to put his question to the Leader of the House.

BILL PRESENTED

Personal Care At Home Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Andy Burnham, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Alan Johnson, Secretary John Denham, Secretary Ed Balls, Secretary Yvette Cooper and Mr. Phil Hope, presented a Bill to amend section 15 of the Community Care (Delayed Discharges etc.) Act 2003 so as to remove the restriction on the period for which personal care may be provided free of charge to persons living at home; and to make consequential provision.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 11) with explanatory notes (Bill 11-EN).

Debate on the Address

[5th Day]

Debate resumed (Order, 18 November).

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Home Office and Work and Pensions

Madam Deputy Speaker (Sylvia Heal): I inform the House that Mr. Speaker has selected the amendment in the name of the Leader of the Opposition.

Mr. Frank Field (Birkenhead) (Lab): On a point of order, Madam Deputy Speaker. Following that announcement about which amendment the Chair has selected, might one relay back to Mr. Speaker the fact that there is growing pressure in the House for a debate on a motion that is amendable on Afghanistan? Although it might not have been appropriate today, I hope that he will find ways of allowing the views of the House to be registered on that issue.

Madam Deputy Speaker: I will ensure that Mr. Speaker is aware of the right hon. Gentleman's comments.

2.3 pm

Chris Grayling (Epsom and Ewell) (Con): I beg to move an amendment, at the end of the Question to add:

"but humbly regret that the Gracious Speech fails to offer answers to the growing social challenges facing the United Kingdom, and proposes no new ideas about ending the culture of deprivation and welfare dependency in many parts of the country or on dealing with the growing level of economic inactivity; note that it offers no fresh solutions to the challenge of anti-social behaviour in communities around the country, nor does it reform the licensing system to tackle alcohol-fuelled disorder; and further regret that after 12 years in power the Government brings forward no new approaches to the challenges the country faces."

Twelve years is a long time to be in government. It gives any Government as long as they should sensibly need to demonstrate that they can make a difference. By next May, when they will be returning to the country for the fourth time to ask for a mandate, the Government will have been in power for 13 years, so the question for every voter is do they really deserve one? This afternoon I want to look at the things that the Government promised all those years ago—things that they have continued to promise, year after year, in virtually every Queen's Speech, including this one—and to ask a simple question: have they delivered the things that they promised?

Back in 1994, a new, young Labour leader set out his stall to the party conference, telling his delegates, in some of his most memorable phrases, what needed to be done:

"We can all get angry because crime hurts,"

he told us,

"and it hurts most the people who are least able to fight back. But it is not enough to get angry, to stamp your feet, and shout from

the Tory conference platform. That is the soft option. We need a new approach. One that is tough on crime, and tough on the causes of crime."

In the intervening years, the Labour Government have had more than a fair chance to deal with the challenges that he talked about. They have had the money, with £350 billion spent on worklessness, at least £70 billion spent on policing and other crime fighting and more than £20 billion spent on early-years and child care services since 1997. They have also had the time, over these 12 long years, so now it seems entirely fair to look at what has happened in Britain and assess the degree to which our social challenges have begun to reduce.

Let us use that speech back in 1994 by the man who became Prime Minister as a benchmark against which to judge the success or failure of this Government. "Tough on crime, tough on the causes of crime" became the bywords for this Government's approach to law and order. In that speech, the then Leader of the Opposition and subsequently Prime Minister set out a range of detailed programmes that he said were essential to fighting crime. So how did they do?

Let us start, as Tony Blair did on that September day, with the bit in his speech about being tough on crime. First on the list were measures to tackle juvenile offending. They have been a feature of virtually every one of the 49 criminal justice Bills that we have had since then. We have had initiative after initiative and new idea after new idea. Surely that must have made a difference. The number of persistent young offenders sentenced by courts in England and Wales have increased by 92 per cent. since 1997. In 2007-08, more than 93,000 youngsters aged 10 to 17 entered the criminal justice system for the first time, up from only 78,000 five years previously, in 2002-03. Just a couple of weeks ago, Home Office research showed that 72 per cent. of 10 to 25-year-olds admitted to committing crime or antisocial behaviour within a four-year period.

The next bit in the speech was the plan to crack down on illegal firearms. Over the past decade, there has been a big jump in gun crime. The number of firearms offences, excluding air weapons, has increased from 5,209 a decade ago to a provisional figure of 8,184 in 2008-09, an increase of 57 per cent. The number of people injured or killed by a gun has more than doubled, increasing from 864 a decade ago to 1,760 in 2008-09. Behind those figures have been a series of high-profile tragedies, punishment shootings and a culture of weapons on our streets not seen previously.

Tony Blair then talked about the need to punish properly crimes of violence, including racial violence. Violent crime has increased from 615,000 offences in 1998-99 to just over 1 million in 2008-09, an increase of 68 per cent. In 1998, 23,500 people were cautioned for violence against the person. In 2007, that figure had doubled, to 52,300.

The Secretary of State for the Home Department (Alan Johnson): The hon. Gentleman's right hon. Friend the Leader of the Opposition said in the Queen's Speech debate last week that violent crime had risen by 70 per cent.—I notice that the figure has now come down to 68 per cent. I wrote to him—and have yet to receive a reply—pointing out that the British crime survey, which the Opposition introduced and which, as far as I know, everyone agrees is about impeccable as one can get, shows a 41 per cent. decrease in violent crime. The recorded crime figures do show an increase, but that is because the statistics changed in 2002 to include common assault, which was previously in a different category. I am glad to have this debate, but can we have it on the facts? Can the hon. Gentleman also confirm that, according to the British crime survey, violent crime is down by 41 per cent. and that the figures used by him and his right hon. Friend apply to a statistical change that took place in 2002?

Chris Grayling: The Home Secretary needs to understand one simple point about the shortcomings of the British crime survey. In its categorisation of violent crime the British crime survey does not include murder, which the last time I looked was a violent crime. There are a number of areas of violent crime that are not covered in the British crime survey, so by definition it cannot provide a true reflection of what is happening in this country.

Chris Huhne (Eastleigh) (LD): There is, of course, a reason why the British crime survey does not include murder, which is that it is quite difficult for people to respond to a survey if they have been murdered. I wonder whether there has not been a substantial change in murder over time. I find it rather worrying that the hon. Gentleman is making that point about statistics when I thought that he agreed with us that we should have independent publication of the statistics and not resort to the sort of political shenanigans that he has just displayed, using reported crime statistics when he knows perfectly well—indeed, the previous Conservative Government said this repeatedly—that the British crime survey is a more reliable estimate.

Chris Grayling: I am sorry, but I do not accept what the hon. Gentleman says. I agree that we should have independent figures. The figures have been changed a number of times over the years by the Government, as we know from 18 months ago under the previous Secretary of State when there were issues about the Government's use of figures. Of course we should have independent statistics, but we can deal only with the tools that we have available. They show, for example, that racially and religiously aggravated harassment has also increased—more than doubled—over the past decade.

The fourth pledge given before the Government took office was to give the victims of crime the right to be consulted before charges were dropped or changed. What a hollow promise that turned out to be, particularly given the Home Secretary's comments just last week that "in an ideal world" every victim would be "visited by the police", though it was admitted at the time that doing so would be "rather challenging". If we talk to the victims of crime, a very different picture emerges—one in which they receive very little information about what is going on and are not sure even when trials are happening. The Home Secretary has talked to victims of crime, so he knows that the promises made to the victims of crime back in the 1990s have not been fulfilled a decade later.

One of the most distressing cases of failed communications I have come across involved the owner of a post office in Worcestershire, who was brutally beaten by a gang of armed raiders and has still not made a full recovery. The assailants were caught and

[Chris Grayling]

jailed. Their sentences were reduced substantially on appeal, but the victims of that crime were not even told that the appeal was happening. I know from having talked to the victims in that case that their sense of fear and misery about what happened to them was made much worse as a result.

Mr. David Burrowes (Enfield, Southgate) (Con): My hon. Friend is making a crucial point about the lack of information for victims. Although several years ago the Government promised £11 million to the Crown Prosecution Service to track all cases online, is he concerned that we have still not reached that point and that we are to have yet another White Paper in which the same promises will be made but not delivered?

Chris Grayling: My hon. Friend is absolutely right, and that has been the story of criminal justice under this Government—promise and pledge and initiative made again and again, but little delivery or action.

Tough on crime? Fifteen years after it was first made, that promise now looks pretty hollow. By the test that Mr. Blair set for a future Labour Government back in that first conference speech, in office they have failed again and again. All these years later, as my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) rightly says, they are still failing.

Did the Government do any better on the causes of crime? Mr. Blair picked three things that he was going to do, and a comprehensive crime prevention programme was at the top of his list. In Labour's 1997 manifesto, this "comprehensive programme" had changed into placing

"a new responsibility on local authorities to develop statutory partnerships to help prevent crime",

which the Crime and Disorder Act 1998 introduced. That is rather different from a comprehensive crime prevention programme.

Of course—let us give the Government credit—there have been some successes in fighting crime over the years that have had a big impact on the overall figures. I have to say, however, that that has not always been down to the Government. We owe a big debt of gratitude to the motor manufacturers, for example, who have taken huge steps forward in automotive security, and as a result there is less automotive crime. More and more householders have taken things into their own hands, dramatically improving household security with better locks and alarms, not to mention the widespread use of double glazing, which makes it more difficult to break into a house. There have been some benefits and some successes under Labour, but many of them have come from way outside the impact of Government policy.

The next Blair pledge on the causes of crime was an anti-drugs initiative. Did that work? Recorded drugs offences have increased from 135,000 in 1998-99 to 243,000 last year—an increase of 79 per cent. Between 1998 and 2008-09, the proportion of adults using cocaine has more than doubled. A recent report by the European Monitoring Centre for Drugs and Drug Addiction that compared drug use in 28 countries in Europe revealed that we had the highest proportion of cocaine use among adults and 15 and 16-year-olds—not much of a success there.

Then there is pledge No. 3—the real area where change is needed if we are to break the cycle of poverty, deprivation, alienation and disorder in our society. The former Prime Minister said that we needed long-term measures to break the culture of drugs, family instability, high unemployment and urban squalor. There has been pretty broad agreement across the House in recent years that getting people off benefits and into work is an essential part of tackling a whole range of challenges from family breakdown to crime. I know that that view is shared by the right hon. Member for Birkenhead (Mr. Field), who I see in his place; he has argued persistently over the years for tough action in this area.

The Labour party manifesto back in 1997 said:

"We will face up to the new issues that confront us. We will be the party of welfare reform. In consultation and partnership with the people, we will design a modern welfare state based on rights and duties going together, fit for the modern world."

I know that the right hon. Member for Birkenhead tried hard to deliver that and I know that the current Prime Minister stopped him from doing so. In reality, how have the Government done? There are 2.5 million unemployed people today—20 per cent. higher than in 1997. We now have the highest rate of youth unemployment on record, with one in five young people unable to find a job.

We are in the middle of a financial crisis, so before Labour Members get too exercised about that, let us take a different benchmark to judge performance: incapacity benefit. When he was Chancellor, the Prime Minister said in his first Budget speech:

"No one in our society...should be excluded from the right to work either because of disability or incapacity, if they want to do some work."

He said:

"we will also bring forward proposals to help those who are disabled or on incapacity benefit who want training or work... these comprehensive and ambitious initiatives mean that, from now on, no section of society should suffer permanent exclusion."—[*Official Report*, 2 July 1997; Vol. 297, c. 310.]

As he made that speech, there were 2.6 million people on incapacity benefit. Twelve years on, there are 2.6 million people on incapacity benefit.

So what went wrong? We have to remember all the Government's boasts over the past 12 years about the number of new jobs that they have created. Even though we are now in difficult times for employment, they will still tell us that there are more people in work than there were in 1997. How is that possible? The answer is very simple—I pay tribute again to the work done by the right hon. Member for Birkenhead, who has highlighted many of these issues over the months and years—because the vast majority of the new jobs created under this Government went to migrant workers entering this country from overseas.

Mr. Frank Field (Birkenhead) (Lab): As the hon. Gentleman was kind enough to cite me earlier, may I ask him a question about how he drew up the amendment that we are debating today? If we ask our voters, as we do by opinion poll, which issue most concerns them, we find that it is immigration. Why when tabling their amendment did the Opposition not want us to debate immigration as part of the Gracious Speech?

Chris Grayling: As the right hon. Gentleman knows, we may debate issues broadly within the remit of the Gracious Speech. I will talk about immigration in the course of my speech and I will be delighted to hear him do so too, if he seeks to catch your eye, Madam Deputy Speaker. The truth is—I think he would agree—that over the past 12 years, while people have come into this country from overseas and successfully found jobs, entire communities have been trapped in poverty and in a cycle of deprivation and failure, which continues to blight the lives of far too many of our citizens.

The frustrating thing is that we now know—I do not blame the current Home Secretary, as he was not in the job at the time—that Ministers did this deliberately. They took a conscious decision to open up our immigration to a large number of migrant workers; they took a conscious decision to lower the bar for investigations into whether people should or should not be allowed to stay in the UK; and they took a deliberate decision to try to cover up what they had done. It was a scandalous approach to public policy from a Government who have kept getting things wrong year after year and who have shown little understanding of the challenge that Britain faces.

That is why the Government's approach to law and order has been so dominated by more and more legislation, and more and more erosion of the basic rights of our citizens. We see that in their latest attempt to deal with the controversial issue of the DNA database. The database is growing in size all the time, but the number of DNA-related detections is falling. The Government nevertheless persist in their desire to keep the DNA of innocent people on the database for six years, even when people have been suspected of the most minor of offences and have been charged with or found guilty of precisely nothing. Let me make it clear to the Home Secretary today that although there are things in the Policing and Crime Bill that we support, we will not allow it to go through in a rush before the election if it means leaving in place an unacceptable regime for our DNA database.

Keith Vaz (Leicester, East) (Lab): I agree with the hon. Gentleman on the database. I cannot understand why the DNA of innocent people is retained on it. Even if we accept the six-year limit, that is not what the European Court has ruled. Is he concerned about newspaper reports that people are being arrested merely because their DNA should be retained on a database that now has 750,000 innocent people's names on it? If those reports are correct, it is a very serious issue.

Chris Grayling: The right hon. Gentleman is right to highlight that matter of concern. When the Bill is debated, it will be dealt with straightforwardly by our bringing forward again proposals to extend the Scottish system across the UK. As he knows, that system would allow DNA to be retained for up to five years in the most serious cases, but would not allow it to be retained in minor cases. Were that law in place, we would not have seen such issues highlighted this week. I would welcome his support if we sought to push the Government to deliver such a DNA system before the election. If the Home Secretary wants his Bill to get through, let us set aside the Government's current proposals and work together on putting in place in the UK the Scottish system, which is supported by Members on both sides of the House, as soon as possible.

Bob Spink (Castle Point) (Ind): I tend to agree with the hon. Gentleman on this matter, but will he tell the House where he would draw the line between a less serious, and a more serious, case?

Chris Grayling: The Scottish system has an established definition, which I will not go through in detail as the hon. Gentleman can read it himself. Essentially, however, it treats investigations into serious crimes, such as a rape or murder, differently, allowing a dividing line to be drawn between serious cases in which retention of DNA for a period might be of benefit, and those minor cases, which are frequently highlighted in our media, where there is no requirement to retain the DNA of the individuals concerned.

Dr. Andrew Murrison (Westbury) (Con): Does my hon. Friend share my concern that 56 non-police bodies in this country have access to the DNA database? Does he not see a common thread running between that and the access that local government now has to people's individual liberties following the introduction, and misuse of, the anti-terrorism legislation?

Chris Grayling: My hon. Friend is right. The Gracious Speech should include measures to end the mission creep that has existed under this Government in the area of civil liberties, whereby powers introduced for necessary reasons of national security are used for purposes that have no relation to that whatever. The Government have allowed mission creep in far too many areas, and it must be reined back. I am disappointed that they are not taking such steps, and if we are elected next spring we will certainly do so.

I wish the Government would understand that more law does not mean more order. If one introduces hundreds of new offences in endless criminal justice Bills, one merely swamps police in yet more new bureaucracy. When will the Government realise that their constant belief that we need more top-down solutions is plain wrong? The country needs a fresh start and a fresh approach, particularly to the blight of antisocial behaviour that has characterised Labour's years in government, and to which their response remains woefully inadequate. We need an instant response that does not let offenders get away with antisocial behaviour time and again, leaving them with a clear sense that the system has no teeth. It takes months to put in place an antisocial behaviour order: by the time the ASBO mechanism kicks in, they have offended multiple times. The system sends the message that if they do something wrong, nothing happens to them.

We need to put an end to the caution culture that allows people who commit serious acts of violence against strangers to get away with a legal slap on the wrist, and all because the bureaucracy that the Government have put in place makes that easier than spending days doing the paperwork necessary for a prosecution. It is time to stop the late-night drinking culture that the Government deliberately fostered, leaving town centres swamped by disorder at the weekends and the police stretched into an ever thinner blue line.

It is also time to accelerate the Government's tentative steps to cut down bureaucracy. I applaud some of what has been done in recent months, and I applaud the stop-and-search measures in the Bill, especially as we proposed them in the first place. I am glad that the Government have come to agree with us.

[Chris Grayling]

The Government's automatic early release scheme must also go. Letting prisoners out after serving a minority of their sentence, with no regard whatever to their standards of behaviour, just tells those offenders that they can get away with it. It is another example of the mismatch between the Labour party's rhetoric in opposition and actions in government.

I looked earlier at one of the speeches made by the Justice Secretary in a debate on the Queen's Speech a few months before the 1997 election. He said:

"We now have the bizarre situation where, according to figures that I gave in my paper, the sentence length for repeat house burglars remains the same—at 15 months— whether for a first, second or third conviction." —[*Official Report*, 28 October 1996; Vol. 284, c. 352.]

A burglar in Britain today is unlikely to get 15 months for a first conviction; he is likely to get off, be released and not go to jail at all. That is what has happened after 12 years of Labour Government. The system is not tough, as they promised, but more and more lax, sending all the wrong messages and saying to too many offenders that they can just get away with it.

David T.C. Davies (Monmouth) (Con): Does my hon. Friend also acknowledge that even were the maximum 15-month sentence applied, the reality is that someone so sentenced would probably only serve about five months in prison?

Chris Grayling: My hon. Friend is absolutely right. *[Interruption.]* More to the point, does the Home Secretary not understand that the automatic early- release scheme—he was saying from a sedentary position that it is only 18 days—gives an offender a sense that they have bucked the system. If they get out early automatically, with no relation to how they have behaved in prison, it says to them that the system does not have the teeth they thought it might have, and they can just get away with it.

We also need thoughtful and real social reform finally to get to grips with the causes of crime—real welfare reform, not the failure of the new deal and the tentative approaches to change that have followed our radical blueprint for a new kind of welfare state. We will hear more about that later from my right hon. Friend the Member for Maidenhead (Mrs. May). We need the kind of innovative changes in our education system and in the health visitor profession that were set out in the debate last Thursday by my hon. Friends the Members for Surrey Heath (Michael Gove) and for South Cambridgeshire (Mr. Lansley). We need a much smarter approach to the rehabilitation of prisoners, which is part of our prison reform and welfare proposals.

We also need much more radical changes on DNA and identity cards than this Government have been willing to countenance. That means dealing with the DNA database issue, and scrapping the now voluntary ID cards scheme altogether. I am interested to know whether Ministers have their ID cards with them today—[Hon. Members: "Full house."] Oh, very impressive. The Immigration Minister did not have his when we both appeared on "Question Time" last week.

We also need a Government who will finally get to grips with the job of controlling our borders. That involves imposing an annual cap on the number of people coming to live and work in the UK—that is part, but an important part, of the picture.

Mr. Frank Field: Does the hon. Gentleman accept that it is a matter not just of people coming here to work, but of people coming here to work who then become citizens? That is what is growing our population.

Chris Grayling: That is certainly the case, and the right hon. Gentleman will have seen the press investigation at the weekend into the scandalous situation of those institutions that provide certification on English language capabilities for those applying for nationality. The fact that that has been taking place under the nose of the Home Office is a big failing, and I hope that the Home Secretary will tell the House how he is dealing with the problem. Having people securing citizenship on a false prospectus is utterly unacceptable.

The right hon. Member for Birkenhead is right that the issue is not just people coming to the country to live and work; it is also a matter of introducing tighter restrictions on spouse visas, and tightening up the student visa system. However, I have profound doubts about the Government's current proposals, which would result in the closure not just of rogue colleges, which we all want to see disappear, but of legitimate businesses up and down the country, which we would not want to see closed. I urge the Government to take care to ensure that those proposals do not have unintended consequences.

We also need real action to tackle illegal immigration, with a proper, dedicated border police force to tackle the problem, and particularly to get to grips with the evil networks of people traffickers and smugglers.

Mr. Frank Field: The Leader of the Opposition has said, although not in this House, that he would hope, as Prime Minister, to reduce immigration to 50,000 a year. Will the Opposition please give that commitment in the House?

Chris Grayling: The right hon. Gentleman has heard that commitment on many occasions. I strongly believe that we need to bring immigration down to the level that we saw in the first part of the 1990s—I would not pick an exact number, but he knows that we are talking in the region of tens of thousands, not hundreds of thousands. That is a substantial reduction, and is a necessary part of a wise and sensible immigration policy—not a closed-door policy, because we are an international trading nation and cannot afford to close the shutters altogether. However, we must have proper controls for the future that relate to the needs of our society, the pressure on our services and the nature of Britain today.

Mr. Anthony Steen (Totnes) (Con): I welcomed my hon. Friend's reference to people-trafficking. Does he agree that, although the Government have a good record in that regard and have done a great deal, we could do more? In particular, has he considered the idea of a rapporteur in the Home Office to provide a focus on the issue? Has he also considered giving people who come here to work Gastarbeiter status, which would mean their working for a contracted period and then returning home?

Chris Grayling: I think that the job of tackling human trafficking and improving the quality of our work in combating the traffickers would be done best by the proposed border police force. I think that that would enable the law enforcement world to focus on an issue that desperately needs to be dealt with even more effectively

than it has been so far. No Government do everything badly, and I accept that some good work has been done over the years, but we all recognise that there is more to be done, and I think that a border police force could step up our work.

As for my hon. Friend's second point, the big issue confronting us is the requirement for people who come and work here to leave when their time has expired. If they are granted a three-year visa, they must leave after three years. If I have one big criticism of what the Government have done over the past decade, it is that they have failed to ensure that that happens.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): My hon. Friend is being very generous in giving way. Does he agree that the issue of immigration needs to be addressed sensitively and carefully? Is it not highly regrettable that when Conservative Members have sought to engage in a proper debate we have been accused of racism, and has not that charge against us directly led to the growth of the far right? Should not the Government learn that engaging in a constructive debate might be more sensible, and to the greater good of the country, than levelling their usual charges against us?

Chris Grayling: I think it extremely important for any of us who debate these matters to do so with great sensitivity. It is always very unfortunate when, for example, the phrase "dog whistle" is used. The reality is that the debate is not about race or ethnic background, but about the country's resources, the services that we have, and the pressures on housing and on school and hospital places. It has nothing to do with race in a multicultural society; it is all about the pressures on the infrastructure of the country, and that is where we should centre it.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): The hon. Gentleman will be aware that the Select Committee on Communities and Local Government, which I chair, produced a report about a year ago on precisely the subject that we are discussing: community cohesion and migration. I agree with him about the need to ensure that when there are pressures on public services, the financial benefit to the country of immigration should be reallocated to the areas that bear the pressure. Does he accept, however, that part of the problem is that constant harping on numbers, and numbers alone, tends to suggest that the presence of any extra people is detrimental, and prevents the subtle, measured debate in which—as was pointed out by the hon. Member for North-West Cambridgeshire (Mr. Vara)—we ought to be involved?

Chris Grayling: The hon. Lady must have misheard what I said a moment ago. I said very clearly that we should not close our doors, that we are an international trading nation, and that there will be a need for people to come in and out of the country. The issue is not about an absolute number at any particular point in history. The issue is about ensuring that we protect the ability of our public services to deal with the demands made of them, and that we are able to meet housing infrastructure needs. Inevitably, immigration policy needs to be shaped by that as well as by the needs of business, and the need of our domestic British population to find jobs and obtain the right skills.

I commend the Government on the fact that, during difficult times for our labour market, we are not allowing any tier 3 people into the country. That is the right policy, and we have supported it from the start. However, what smart immigration policy should seek to achieve is a sensible balance between economic needs and pressures on public services.

Keith Vaz: This is, in a sense, a false debate. We cannot prevent people from the European Union from coming into this country, and there can be no limit to their number. The trouble with the arguments advanced by my right hon. Friend the Member for Birkenhead (Mr. Field) and others is that they contradict our obligations to the EU. Those people have an absolute right to come here, and we are talking about an uncontrolled number. They can come and work here just as British citizens can go to any other European country and work there.

Chris Grayling: I have two responses to that intervention. First, I think that it was a great mistake for the Government not to introduce transition controls when the countries of eastern Europe joined the EU five years ago—a great mistake that should not have been made. Secondly, we all hope that as those countries continue to bed into the European Union, living standards will rise across Europe and the migration flows that we have seen in recent years will balance themselves. I am confident that we are already seeing flows of people who have come to this country returning to the countries from which they came, and I am not convinced as others may be that this is still a long-term problem. Nevertheless, we should have had transition controls at the start.

The Gracious Speech offers us virtually none of the things that the country needs in order to deal with the challenges that we face, and the bits that it does offer have been lifted from Opposition policy documents. I must say that it is nice to know that when a Government are as weak as this Government, Opposition politicians can set the agenda; but what the country needs is not a Government who copy their opponents because they have no ideas left, but a fresh start, a fresh sense of direction, and a clear strategy for our country. This is a Government who have nothing left to offer.

Let me end by offering back to the Government some wise words from one of our most prominent public figures:

> "The first duty of any Government is to secure the safety of their citizens and their communities. On that, the present Administration have failed. They have lost not only the plot on law and order, but the confidence of the British people. The Government are profoundly out of touch with people's feelings and anxieties. They lack a proper understanding of the causes of crime, and they have no coherent strategy or vision for dealing with the epidemic of crime and disorder that now scars the nation."—[*Official Report*, 28 October 1996; Vol. 284, c. 359.]

Those words were spoken by the current Justice Secretary 13 years ago. Never have his words proved more correct than they have today.

2.37 pm

The Secretary of State for the Home Department (Alan Johnson): I welcome the opportunity to debate the proposals in Her Majesty's Gracious Speech. I apologise in advance for not being able to be present for the winding-up speeches.

[Alan Johnson]

The Crime and Security Bill includes measures to tackle youth crime and antisocial behaviour. It will give greater protection to victims of crime, particularly women and girls. It will prevent wheel-clamping businesses from imposing exorbitant fines, it will cut down police bureaucracy, and it will establish a new legal framework for the retention of DNA records.

Although the hon. Member for Epsom and Ewell (Chris Grayling) did not actually say the words, he returned again to the "broken Britain" theme that has been his mantra for some time. However, he now seems to have married that—"married" being the operative word, or so it will seem to those who have read *The Sunday Times*—to one of the Conservative Party's greatest hits: "back to basics". He wants to convince more couples that they should marry; that, he believes, is essential to solving the social problems to which he has referred. But how would he do that? How is a 21st-century population to be tempted, cajoled or enticed into abandoning their wicked cohabitation in order to get spliced? It is suggested that all official forms must state whether a couple are married or not. That is brilliant, and probably infallible. It will go with the other measures that the hon. Gentleman has announced, such as cutting police numbers this year, abandoning police authorities, and undermining the operational authority of chief constables. That, in the words of the Conservative amendment, is what he believes will

"offer answers to the growing social challenges facing the United Kingdom".

David T.C. Davies: I do not understand the Secretary of State's confusion. Official forms nowadays seem to ask for all sorts of information. They ask whether people are gay, straight, transgender—whatever that is—black, Asian, Chinese or something else. Why should they not ask whether people are married? Surely that is about the only bit of information that the Government are missing nowadays.

Alan Johnson: We have heard the views of the hon. Member for Epsom and Ewell reiterated in the form of a major policy announcement from the Opposition Benches. We can see what this country would have to look forward to under a Conservative Administration: an age of austerity, with foxhunting reintroduced for our recreation, and with marriage—*[Interruption.]* Yes, foxhunting and marriage. I am beginning to think the hon. Member for Epsom and Ewell might be an undercover agent planted on the Opposition Benches—perhaps by Lord Mandelson—to disrupt and undermine the Conservative party. We all admired his independence when he went straight on to live television and announced how wrong his party was to employ General Dannatt as a defence adviser, but what if that was not another gaffe? What if the hon. Gentleman simply broke cover by forgetting in the heat of the moment what he was supposed to be doing?

Let me remind the House of the response of the Conservative leader-in-waiting, my cousin Boris, to this broken Britain mantra. He said:

"Someone the other day"—

he was referring here to the hon. Member for Epsom and Ewell—

"compared London with Baltimore; absolute nonsense."

He also said on a separate occasion:

"If you believe the politicians"—

he is referring here not to us on the Labour Benches, but to the Conservatives, and the hon. Gentleman in particular—

"we have a broken society, in which the courage and morals of young people have been sapped by welfarism and political correctness…you can see what piffle that is."

That is what my cousin Boris Johnson says, and I agree.

Chris Grayling: Will the Home Secretary tell the House what he thinks about recent disturbing reports that we are now seeing an increasing number of inter-gang punishment shootings in London, with young people being shot in the legs in gang conflicts to make an inter-gang point? What is his reaction to that? What does he think has caused it, and what does he think we should do about it?

Alan Johnson: I shall come on to that, because specific measures in the Queen's Speech are of relevance to this issue, but first let me mention what I am sure must have been another attempt by the hon. Gentleman to undermine his own side. He has talked about "The Wire" and suggested that Britain, and especially London and Manchester, were becoming like the society depicted in that show. *The Baltimore Sun* reporter, Justin Fenton, says, however, that British

"police stations could offer a view of the future of American policing."

He also believes that the DNA sampling used in Britain is light years ahead of that in the USA, while saying that Britain's closed circuit television system can track a homicide suspect in real time and protect civil liberties, as it can prove the police wrong if they lie or abuse a suspect. He also says that Baltimore's drug problem could be reduced if the city adopted the British drug testing and counselling services used on all offenders on arrest. In relation to the broken Britain mantra, he says that he was warned about Brixton, but that he found it was being transformed into a nice area. He spoke to people who lived there, who said that it was nice and they liked living there, and he did not get the same sense that he got in Baltimore.

On the specific issue that the hon. Gentleman mentions, Justin Fenton went to see the brilliant Trident operation against gun crime that is run by the police in London. He said that they had 25 detectives on one case, whereas in Baltimore it is more like two per case. The resources are impressive, he said.

I therefore say to the hon. Gentleman that there is a very important debate—he has engaged in it—about knife and gun crime. It is a crucial debate for the House, but his making spurious comparisons with Baltimore adds nothing to it, and that is made even worse by his using the cheap "I'm au fait with popular culture" approach of attaching his argument to a popular television programme.

Chris Grayling: One development seen in North American cities in recent times is the involvement of children as young as 10 and 11 in running drugs. That is now becoming a feature of some estates in the UK. Why does the Home Secretary think that that is happening? What are the causes, and what does he think we can do about it?

Alan Johnson: The hon. Gentleman should not denigrate what is happening in Manchester and London and compare it in this way, exaggerate it and use that kind of hyperbole. Of course we have some issues in this country. Incidentally, the hon. Gentleman mentioned the murder rate, and the point made by the hon. Member for Eastleigh (Chris Huhne) about the British crime survey was right, because someone cannot be surveyed if they are dead. The murder rate is 1.4 per 100,000. That puts us 46th in the world, below Finland, Portugal and Iceland. It is the lowest rate we have had for many years.

I believe that this broken Britain mantra is actually designed to help us, however, because it reminds the British public what life was like in the '80s and '90s—*[Interruption.]* Well, the hon. Member for Epsom and Ewell began his speech by saying that we had been in power for 12 years—soon to be 13 years—and that that was the time to see what a Government had done. There was spiralling crime in the '80s and '90s, and more than 3 million unemployed. There were 24-hour trolley waits in accident and emergency, people waiting years for a simple cataract operation, single parents stigmatised, the gay and lesbian community offended by section 28, mortgage repossessions, poverty pay—when we introduced the minimum wage, we found that a quarter of a million people were on £1.50 an hour—and appalling educational issues. I ask any Conservative Member to tell me what was the level of attainment of five good GCSEs—at A* to C—in inner London, where we are now, in 1997, after 18 years of Tory rule? Does anyone wish to contribute a figure?

Mr. John Baron (Billericay) (Con) *rose—*

Alan Johnson: Is the hon. Gentleman going to tell me?

Mr. Baron: I thank the Home Secretary for giving way, but I suggest to him that my constituents are more interested in the future than the past. What is of particular interest to them is that, of the 52,000 prisoners who have been released early over the past few years, 10,000 have been violent offenders, and also that more than 1,000 offences have been committed by prisoners who have been released early. What message does the Home Secretary think that sends to the law-abiding majority, other than that our prisons are overcrowded?

Alan Johnson: The message is—

Mr. Stephen Hepburn (Jarrow) (Lab): Will the Home Secretary give way?

Alan Johnson: I will do so when I have said something to give way on.

The message is that there are more criminals behind bars now, serving longer sentences. The issue regarding foreign national prisoners began earlier and has carried on. It has been an inherent problem over many years that needed to be tackled. Our record after 12 or 13 years is an extraordinary improvement on the 18 years of the previous Government.

Mr. Hepburn: I thank the Home Secretary for giving way. May I remind Opposition Members of the great statement that Nye Bevan made many years ago: we do not need to look in the crystal ball when we read the book? That is all we need to remind the British people of in respect of the Tories.

Alan Johnson: I believe that the hon. Member for Epsom and Ewell is trying to help us achieve that.

There were 2.9 million pensioners in abject poverty—that is £69 a week with income support—and in the previous 18 years they had one real-terms increase in pensions, and that was the year the Conservatives put VAT on fuel.

Chris Huhne: The Home Secretary has not mentioned one crucial factor about the 1980s: output began rising from the end of 1980, but the recovery was so slow that unemployment did not fall until 1986. Can he predict what the effect on crime would be if that were to happen again under a Conservative Government?

Alan Johnson: The hon. Gentleman raises an important point. We are in recession at present, as we were in the 1980s and 1990s—although this is a global recession whereas the previous one was made in Britain—and we find from looking at the record of the '80s and '90s that there was a huge spiral in the crime rate because of precisely the reasons the hon. Gentleman mentions. In particular, there was a 60 per cent. increase in domestic violence at that time, and domestic violence is an important aspect of my remarks.

The amendment moved by the hon. Member for Epsom and Ewell mentions welfare dependency, and he spoke about his party's determination to get people off incapacity benefit, but this country had about 700,000 people on incapacity benefit until the '80s and '90s when the Conservative Government deliberately and persistently shepherded working people out of the coal mines, the steel works and the shipyards, and on to a life of welfare dependency in order to suppress the unemployment statistics. By the time they left office, the number was 2.6 million, so if Britain was ever broken, it was in those years, when one in four British children were being raised in poverty—the worst record of any European country.

Lynne Jones (Birmingham, Selly Oak) (Lab): My right hon. Friend talks about the Government's good record on getting people into work. The right hon. Member for Maidenhead (Mrs. May) recently provoked headlines such as "Benefits Britain" and "Shameless Labour" when she claimed that the number of households receiving more than £15,000 in benefits had doubled. That might be true, but when one examines the statistics on households with a member working, one finds that the numbers have not increased at all. The reason for the doubling is because the Labour Government have been far more generous to pensioners and it is they, particularly those who are in greater need, who have benefited from the increase in benefits, not those of working age.

Alan Johnson: My hon. Friend makes a valid point, which leads me to mention the fact that 1 million of those pensioners who were in abject poverty at the end of the 1990s have now been taken out of poverty. Thanks to my right hon. Friend the Secretary of State for Work and Pensions and her predecessors, a combination of pension credit, the winter fuel allowance, good increases in the state pension, free travel and free TV licences has transformed the lives of those pensioners, many of whom were women in their 80s who did not qualify even for the basic state pension because they had not paid enough national insurance contributions.

[Alan Johnson]

Ten years ago, this Government made an historic commitment to eradicate child poverty. Was it ambitious? Yes. Was it foolhardy? No. It was a demonstration of how seriously our country took this issue and how determined we were to resolve it. Since 1997, more than 1.7 million children have been lifted out of absolute poverty.

Mrs. Theresa May (Maidenhead) (Con): As the Secretary of State has raised the issue of child poverty, perhaps he would like to tell the House whether this Government are going to reach their target of halving child poverty by 2010. If they were to stay in government, would they be eradicating child poverty by 2020?

Alan Johnson: We are still working towards halving child poverty by 2010. That will be difficult, because there has been a global recession—*[Interruption.]* We are still hopeful. The right hon. Lady's second question was about reaching the 2020 target, and that is exactly what our Bill is designed to do. Everyone in this House might believe that this is one of the most important objectives that we can set. All the measures necessary will of course be put in place, but we need to send a signal out about how seriously we take the issue.

I was discussing the number of people who have been lifted out of poverty. As I said, since 1997, more than 1.7 million children have been lifted out of absolute poverty, and 500,000 have been lifted out of relative poverty—that is very difficult to do when the living standards of the whole country are rising. However, we need further, decisive action to meet our goal to eradicate child poverty altogether by 2020. That is not an ambition that we intend to abandon during the global downturn; indeed, the recession makes the objective more important, not less.

John Mason (Glasgow, East) (SNP): On abolishing child poverty by 2020, a lot of outside bodies, such as the Child Poverty Action Group, have said that we need to put in serious extra resources, which did not appear in last year's Budget. Is the Secretary of State indicating that his Government will put in more resources specifically for this?

Alan Johnson: All the measures we are taking in difficult economic circumstances will be important, be they on child tax credit, working tax credit or continuing to increase the national minimum wage. I should point out that on a quiet Friday, eight Conservative Members—to be fair, they were not Front Benchers—tried to move a resolution to freeze the national minimum wage. The measures that we will introduce on housing benefit will also make an enormous contribution.

The Gracious Speech confirmed that we will introduce the Child Poverty Bill in the current Session. It has already been widely debated in this Chamber and there is support from both sides of this House for further action to reduce substantially relative, absolute and persistent child poverty, as well as material deprivation. The Bill will legally bind the Government to taking the sustained action necessary to meet the 2020 target, whether that is by increasing parental employment and skills, providing financial support or improving health, housing, education and social services. It also commits us to report annually to Parliament on progress on the 2020 target. The Bill will create a child poverty commission to advise the Government on policy development and will place a clear duty on local authorities both to reduce poverty locally and mitigate its effects.

Under the provisions of our Bill, our focus on supporting the poorest families in the country will not merely continue—it will intensify. We are already creating up to 95,000 new jobs from the £1 billion future jobs fund; the first jobs became available in October and there will be thousands more in the coming months. Additionally, my right hon. Friend the Prime Minister announced last week further steps to tackle youth unemployment in order to avoid at all costs what happened in the 1980s, when hundreds of thousands of young people were left to drift into long-term unemployment.

Let me now turn to the Crime and Security Bill, which comes at a time when there are more police officers than ever before, with substantial support from police community support officers, which did not previously exist, and with more money than ever available to spend on tackling crime. This country's police and support staff have presided over the first sustained reduction in crime in almost 100 years, with violent crime having decreased by 41 per cent. since 1997 and public confidence increasing. However, there remain communities across the country in which the fear of crime is endemic and antisocial behaviour is far too prevalent. We should not portray this issue as if it is some kind of battle between the generations, not least because 60 per cent. of antisocial behaviour orders are handed to adults and because, as we saw with the tragic case of Fiona Pilkington, teenagers are as likely to be the victims as the perpetrators. The vast majority of young people are law-abiding and hard working, and make a positive contribution to their communities. However, some of them drift into antisocial behaviour and gang-related crime.

Keith Vaz: Of course I agree with the Home Secretary that great progress has been made. As he knows, the Bill deals with the DNA database. Is he as concerned as I am about reports that a number of young people are being arrested just so they can be put on the DNA database, that the DNA profiles of about three quarters of all young black men are on the database, and that 750,000 innocent people are still on it? I know that the Government have said that these names should be cleared within six years, but is he prepared, during the passage of the Bill, to engage with Members on both sides of the House to try to ensure that that number is reduced?

Alan Johnson: I welcome the debate on this matter, which was why we agreed to pull these clauses from the Policing and Crime Bill and include them in the Crime and Security Bill. As I said in an article in this morning's edition of *The Guardian*, this is a sensitive matter that needs to be carefully debated. I would be concerned about yesterday's reports if I felt that they were accurate. I understand that they have come from one retired police officer who has said that he thought that the police were deliberately arresting people—we should not forget that people get on the DNA database by being arrested for a recordable crime, for which they can serve a prison sentence—merely to get them on the DNA database. I think more highly of our police service than that, and certainly the response from the Association of Chief Police Officers and others in the police service

expressed the fact that they were extremely offended by that suggestion. My right hon. Friend will be conducting a review of the issue with the distinguished Committee that he chairs, but I do not believe that this report reflects common practice in the police.

Mr. Hepburn: Has the Secretary of State closed his mind altogether to the possibility of having everybody on a DNA database? The problem seems to be people getting off, and people complaining about those people getting off and not getting locked up. Has he closed his mind to that fact?

Alan Johnson: My hon. Friend might wish to table his proposal as an amendment as the Bill goes through the House. I understand that he makes a very serious point, which relates to the issues that my right hon. Friend the Member for Leicester, East (Keith Vaz) raised about a disproportionate representation from the black and minority ethnic community. I believe that that is a problem for the criminal justice system as a whole, not just the DNA database, although the DNA database reflects it. The way round it would be to have a DNA database containing everyone's DNA, but I am not proposing that. I have not even opened my mind to that, never mind closed it again.

Chris Grayling: May I take the Secretary of State back to the issue of young black men on the DNA database? I am sure that since yesterday's reports he will have asked for information about the current situation, so will he share it with the House? Is it correct that the proportion of young black men who are on the database is as was stated? If so, what proportion of those on the database have actually been convicted of an offence?

Alan Johnson: The information that I have received is that last year the proportion of young black men on the DNA database was about 9 per cent. and the proportion of the Asian population on the database was 5 per cent. The figure for the Asian population is about proportionate to the population as a whole, but the 9 per cent. is not. The 9 per cent. figure for those on the database is much higher than the 2 per cent. represented in the population as a whole. That is an issue, but we knew that it was an issue before yesterday's reports.

Several hon. Members rose—

Alan Johnson: I am not even on to the DNA database yet—I shall be coming to that in a second—but I shall take one further intervention.

Mr. Vara: The Home Secretary has just referred to black and Asian DNA figures. Is there any way of determining which groups that means within the Asian community, such as Indian, Pakistani, Bangladeshi and so on? In the black community, there is a huge difference between those from Africa and those from the Caribbean countries. Is it possible to be a bit more precise rather than being so generic? It is a bit like referring to the figures for Europeans in the same way.

Alan Johnson: It probably is possible to be more precise, but that is the information that I was given yesterday. There is a paucity of good research on this and perhaps we need to do substantially more to ensure that we have more accurate figures. I know that the hon. Gentleman is interested in these issues, so I shall look to see whether there are any further figures on the breakdown and furnish him with that information.

I was talking about the groundbreaking powers in the Crime and Disorder Act 1998, which [illegible] the first time, provided the police, local authorities and other agencies with civil powers to deal with behaviour that, although it was not yet criminal, was a major source of insecurity and unhappiness. Along with the Anti-social Behaviour Act 2003, that has provided police and local authorities with the powers that they need to tackle antisocial behaviour effectively, including acceptable behaviour contracts, antisocial behaviour orders and powers to close crack houses and evict irresponsible tenants.

The hon. Member for Epsom and Ewell has demonstrated yet again his profound misunderstanding of the powers that are now available to tackle such problems. In a newspaper interview last week, he said that there should be informal solutions that the police could use—there are. He said that ASBOs should be more of a last resort if nothing else is working—that is precisely what they are. He said that the police should be allowed to impose grounding orders and instant community penalties—they can. Indeed, some groundbreaking work is being done in the west midlands in that respect, although all police authorities have that power.

I disagree with the hon. Gentleman's suggestion—he did not mention this point in his speech, but it was yet again included in his *Daily Mail* interview—that the police should be able to confiscate mobile phones and iPods from 13-year-olds. He said that that would be a simple, non-criminalising intervention. So, a police officer could simply take a child's property—presumably with no authority, no consultation and no reference to the parents, otherwise it will hardly be simple and quick, and with very little, if any, documentation—as an arbitrary punishment for a minor offence. That is the kind of simple, non-criminalising police intervention that is unlikely to bolster confidence in the police among the young. I suggest that it would also be unlikely to please parents, although I suppose that they could always fill in a form of complaint provided that there is something on there to say whether they were married or not.

Parenting orders have been of immense importance when parents of children who are persistent offenders are either incapable of stopping their child's bad behaviour or remain stubbornly ignorant of it. The Bill will further address that by ensuring that courts consider a child's parenting need before they place an ASBO on 10 to 15-year-olds. At that point, a voluntary parenting contract or a parenting order could be imposed. If that ASBO was subsequently breached, a parenting order would automatically be triggered, rather than being discretionary.

Mr. Charles Walker (Broxbourne) (Con): Should it not be the case that when a young person commits a criminal act, the parents should be financially liable for the cost of reparation?

Alan Johnson: In some cases, the parents are asked, as part of the informal arrangements, to get their child to go and do something to restore what happened, which they would have to pay for. That is very much what is happening in the west midlands at the moment. In all cases, parenting orders are not a soft option. They are a contract between parents and the authorities—not just the police, but local authorities, housing authorities and social services—to end the kind of behaviour that sometimes leads to children being disruptive. Whether there is a

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financial or a physical obligation to change, that certainly requires the parents to do something and not simply to put up with their child's behaviour.

Dr. Starkey: Although it is interesting to suggest that parents should be made financially liable, is it not important to avoid what I might call the Bullingdon club syndrome, whereby rich students commit a lot of damage in a restaurant for fun, financially recompense the restaurateur as they leave and think that that just wipes out the problem?

Alan Johnson: If antisocial behaviour orders had been around at the time, I am sure that one would have been served on the former Member for Henley and his colleagues.

Chris Grayling: Will the Home Secretary clarify? In the event of an informal solution being applied—for example, if a police officer agrees with a family and a young person that that young person should go and do some community work the following weekend—what is the legal consequence if that work is not completed?

Alan Johnson: As it is an informal civil order, it does not even get into the realms of bureaucracy and, as it is the kind of thing that the hon. Gentleman rightly said should be available and that is available, there would not be much of a consequence. That is the same with all informal measures. The problem is that taking an iPod away from someone goes beyond the idea of restorative justice and is much more serious and threatening.

The conditions that the courts impose on parents will vary in each case. They might require the parent to make sure that their child is at home and supervised during certain hours at night, or they might ban the child from associating with other known troublemakers. The parent might be instructed to seek treatment for drug or alcohol problems, or attend intensive parenting classes. More usually, there will be a combination of such conditions.

Let me turn to the subject of gang injunctions. Although the number of young people involved in gang violence is small, the impact that those young people have on the communities in which they live can be extreme—both in terms of crime and antisocial behaviour and in terms of generating a fear of crime. The Policing and Crime Act 2009 gives police and local authorities new powers to issue injunctions to prevent gang violence. The Crime and Security Bill will extend such injunctions to 14 to 17-year-olds. They can be used to prevent the young person from going to a particular place, from meeting other gang members or from using dogs as weapons to intimidate the community. In addition, they can be used to direct young people towards targeted support that will help to address any underlying issues that might be prevalent.

The good news about domestic violence is that the British crime survey shows a 65 per cent. reduction in it since 1995, and the conviction rate is rising. The bad news is that it still accounts for 14 per cent. of all violent crime and its impact continues to ruin the lives of women and children. One woman every week is murdered by a current or former partner. It used to be two or three, but the situation is still unacceptable.

Today, the violence against women and girls strategy was published. It sets out how we will intensify our efforts to prevent domestic and sexual violence, in particular by challenging attitudes that condone such behaviour and by providing greater support to victims. The strategy goes wider than domestic violence, but Chief Constable Brian Moore was asked to examine that specific issue from a policing perspective, and one of his recommendations relates to the introduction of domestic violence protection orders. They would give the police powers to ban the attacker from the home of their victim for up to 28 days to provide vital respite for victims to consider their options. Crucially, that means that it would not be the victim who would be forced to leave her home, as is too often the case at the moment, but the perpetrator.

We have included that proposal in the Crime and Security Bill, which will also make it an offence not to keep air weapons under lock and key and well out of the reach of children. Introducing a compulsory licensing scheme for wheel clampers will also allow us to set limits on the fines that they can impose, and we will outlaw rogue operators who extort vast sums from drivers and bring the entire sector into disrepute. Finally, this Bill proposes a new framework for the retention of DNA records.

Paul Holmes (Chesterfield) (LD): I want to take the Home Secretary back to the earlier intervention by one his colleagues. The Government have created the largest DNA database in the world, with 1 million innocent people included on it. Is not the logic of that that the Government should go for a universal database that covers everybody? Surely that is the logic of their position.

Alan Johnson: No, it is not, as the database includes people who have committed a crime or been arrested but not charged. The European Court did not say that it was wrong to include on the database people who had been arrested but not charged, but that we should not keep that information for an indeterminate time. That was its decision, and I believe that the changes that we are proposing in the Bill will meet the points made by the European Court.

Mr. Burrowes: The Home Secretary has spoken about domestic violence, gang crime and antisocial behaviour, but there has been no reference to drugs and alcohol. The right hon. Gentleman has taken off his glasses, but will he take off his rose-tinted glasses and recognise that we top the European league for the problematic use of drugs such as cocaine and amphetamines by young people? A total of £1.5 billion has been paid into the pot for drug treatment, enforcement and prevention, but what are the results?

Alan Johnson: In many ways, parenting orders get to the problems caused by antisocial behaviour. All hon. Members will know from their constituency experience that there are constant problems with some families. They can be caused by children, parents or people visiting the home, but there is usually a drug or alcohol problem at the heart of the behaviour that needs to be addressed.

Drug use in this country is at the lowest level that it has ever been. Young people make up the most difficult group, but drug use among the young is down by 5 per cent. Progress has been made, although perhaps not enough, but the remarkable thing is the number of

people—over a quarter of a million—who are receiving treatment for drug addiction. Making the drug intervention programme part of the criminal justice system has been the biggest and most important contributory factor in that.

I have not mentioned drugs before because I have only a certain amount of time to deliver this speech and the Bill contains nothing specifically about drug legislation, but it is a very important issue.

Damian Green (Ashford) (Con): I am genuinely not sure that the right hon. Gentleman meant it, but he said that drug use in this country is lower than it has ever been. Did he mean that?

Alan Johnson: Yes. The British crime survey puts it at 10.1 per cent. of the population, which is the lowest level since records began. I wish the hon. Gentleman would look at the statistics in the British crime survey occasionally, as they might explain some of the problems that arise in these debates.

Damian Green: But the lowest ever?

Alan Johnson: Since records began.

Mr. Burrowes: Will the Home Secretary give way?

Alan Johnson: I will, for one little millisecond.

Mr. Burrowes: I am ever so grateful for the Home Secretary's generosity, but does he disagree with the report from the European Monitoring Centre For Drugs and Drug Addiction? It compared drug use in 28 countries in Europe and revealed that the UK has the highest proportion of cocaine use among adults, and among 15 and 16-year olds. That finding is supported by the UK Drug Policy Commission report, which says that we have the highest problem of drug use.

Alan Johnson: I do not disagree with that at all, but my point is that the level is the lowest since records began. I cannot argue that it is the lowest ever, given that no one recorded it before the previous Government introduced the legislation—

Damian Green: But you said that it was the lowest ever

Alan Johnson: No one knows what the level was before we started recording it. The hon. Gentleman intervenes from a sedentary position, but he has been in the House long enough to know that a statistical argument is based on when those statistics began to be compiled.

I was also asked about alcohol. The British crime survey was introduced under the previous Government and it is the most robust and accurate measure of crime. It shows that alcohol-fuelled crime is down by a third. The link with the Licensing Act 2003 is fictitious. There is, of course, a link between excessive drinking and violence, and I understand that it is a very important issue that we have still to address in full. One fifth of all violent crime takes place in or around pubs and clubs, and nearly half of that occurs between Friday evening and Monday morning.

However, the problems are not caused by the Licensing Act. Only around 4 per cent. of premises have a 24-hour licence, and more than 80 per cent. of those are shops and hotels. The average closing time is just 21 minutes later than it was before the Act, and 56 per cent. of all licensed premises still close at 11 pm, compared with 68 per cent. under the old regime.

The 2008 review of the Licensing Act 2003 found that, since the new legislation was introduced, serious violent crime at night was down by 5 per cent. and less serious wounding was down by 3 per cent. We can have a debate about alcohol, but we cannot say that the problems with alcohol-fuelled violence began with the 2003 Act.

Keith Vaz: The Home Secretary is right. The Home Affairs Committee report earlier this year did not lay the blame on the Licensing Act, but we did say that the cheap availability of alcohol in supermarkets results in people getting tanked up before they go out on a Saturday night and start buying alcohol in pubs and clubs. Will he therefore consider our recommendation for a floor price for supermarket alcohol sales?

Alan Johnson: Yes, we will consider that recommendation, and the report to which my right hon. Friend refers was a valuable contribution. That is why we asked Sheffield university to conduct the research into the problem. In my previous guise at the Department of Health, we commissioned further work to enable us to look at the issue. However, he knows that the Licensing Act 2003 has done many things to address alcohol abuse, including ending the voluntary code for industry and introducing a statutory code. I think that that will make an enormous contribution.

Mr. David Chaytor (Bury, North) (Lab): Will my right hon. Friend give way?

Alan Johnson: I shall give way once more, and then I am going to conclude.

Mr. Chaytor: I am very grateful. The evidence shows that the cost to the NHS, let alone the criminal justice system, of excessive alcohol abuse is analogous to that of excessive tobacco consumption. What is the argument against introducing a ban on alcohol advertising, to follow the very successful ban on tobacco advertising?

Alan Johnson: We have looked at all the options and did consider that, but we live in a free society and the difference between alcohol and tobacco is that there is a level of alcohol consumption which, far from being detrimental to health, can be beneficial. It depends on where one draws the line.

Mr. Walker: They said that about tobacco!

Alan Johnson: The hon. Gentleman says, "You can say that about tobacco."

Mr. Walker: That is what they used to say.

Alan Johnson: If they used to say that about tobacco, they do not do so any more. All eminent researchers into the matter say that it would not be possible even to start to go down the route of instituting a prohibition

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system such as existed in America, because alcohol is in a different category from tobacco when it comes to health effects.

Mr. Frank Field: Will the Home Secretary give way?

Alan Johnson: I will give way to my right hon. Friend.

Mr. Field: The Home Secretary said earlier that he was going to give way for "a" last time, so perhaps this is "the" last time. Before he completes his remarks, will he find time to report the good news about the progress that the Government are making in breaking the link between coming to this country to work and automatically gaining British citizenship? That issue very much concerns our core voters.

Alan Johnson: I will, and this is my only opportunity to do so. People are very welcome to come to this country to study or work and to contribute to our culture and economy, but it is crucial to break the link that means that they can become British citizens if they stay here long enough. That has to end, and a points-based citizenship system, along the lines of the points-based immigration system, can ensure that being a citizen of this country means more than simply being here for a certain amount of time. That is a very important change, and I pay tribute to my right hon. Friend and those other colleagues who have been pushing it for some time.

The Bill proposes a new framework for the retention of DNA records. There can be no question, I hope, that the development of DNA fingerprinting by the British scientist Sir Alec Jeffreys has revolutionised the fight against crime. The retention of DNA records by the police has been critical in solving many high-profile and horrific crimes. It is unlikely that Mark Dixie, the murderer of Sally Anne Bowman, would ever have been found, had his DNA profile not been recorded following his arrest for involvement in a pub brawl from which he was released without charge. Take also the case of Abdul Azad. He was arrested for violent disorder at his Birmingham home in February 2005. He had a DNA sample taken and was released without charge. In July 2005, just five months later, a stranger rape occurred in Stafford, 25 miles away. There were no clues until the skin beneath the victim's fingernails was profiled and found to match Abdul Azad's DNA.

This is an argument about statistics, civil liberties and good policing, but fundamentally it is an argument about people and their requirement for justice and the enormous deterrent effect of DNA profiling, as well it being such a valuable tool in solving crime. It is unlikely that Sean Hodgson, who was wrongfully convicted of murdering and raping Teresa de Simone in 1982, would have been cleared, had not DNA analysis completed in 2008 shown that he was not the killer, or that Michael Shirley, who spent 16 years in prison for the rape and murder of Linda Cook, would have been released in 2003. This is about protecting the innocent, as well as finding the guilty.

Almost exactly a year ago, the European Court of Human Rights ruled that although holding the DNA records of those who were not convicted was justifiable under the European convention on human rights, it was unlawful to hold these records indefinitely. There followed an extensive period of consultation and deliberation. In determining what is proportionate, as the Bill seeks to do, we must be guided by the most recent scientific evidence, the professional opinion of the police, and the reasonable expectations of the public that they should be protected against crime, and that there should be justice for them and their families if that protection fails.

These elements must be balanced against the understandable concerns of those who have never been convicted of any crime about the retention of their DNA profile. Although not required to by the European Court judgment, we took the decision that all DNA samples should be destroyed after six months, once they have been converted—*[Interruption.]* Six months. I wish Members on the Opposition Front Bench would listen more closely. The DNA sample—the swab—must be destroyed within six months. That was not a mandate from the European Court, but is something that we decided to do.

That six months gives the chance to convert the sample into the 20 numbers that form the DNA profile. *[Interruption.]* The hon. Member for Ashford (Damian Green) asks from a sedentary position, "So what?" Many people are concerned that some of their human tissue will be retained. All the arguments that we know in the House from the Human Fertilisation and Embryology Bill raise very real concerns. It is important to stress that it is not the tissue, but the tissue converted into the 20 numbers that forms the DNA profile—and I say that once again, for the information of the Opposition Front-Bench team.

The evidence that we have, reinforced by the responses to the public consultation, shows that there is a strong case for the retention of the DNA profiles of those who are arrested but not convicted, and that there is a link between arrest for a previous offence and future offending. It also shows that after six years, the probability of re-arrest for this group is no higher than for the rest of the population. *[Interruption.]* Hon. Members ask what about Scotland. Scotland did not have the same information to hand when its decision to go for three years was taken, with the option of a further two years. I do not know what led to that decision. What I know is that a retention period of three years would leave a larger percentage of people with a higher hazard rate who would commit crime in the future than would a retention period of six years.

The difference between us is not about people being innocent until proven guilty. I heard the hon. Member for Epsom and Ewell saying that on the "Today" programme. Two Opposition parties propose keeping on the database people who are innocent until proven guilty. They propose that as well. The difference is that they say it should just be for serious crimes that they have been arrested but not charged for, as in Scotland, and not for any other crimes. The research shows that there is no difference in the probability of reoffending, whether a serious or non-serious crime was previously committed. The evidence that we have, reinforced by the responses to the public consultation, suggests that six years is the right period.

Under the framework proposed by the Bill, the DNA profiles of all those convicted of crimes will be held indefinitely. That is not controversial. The Bill also gives

the police the powers to take DNA samples from people who were convicted of a serious violent and sexual offence in the past, before DNA was routinely taken, and previous offenders who are returning from overseas. We believe that this will bring justice for victims and their families by solving more cold cases. Once again, I do not believe that that is controversial. It is supported on all sides of the House.

However, the records of adults arrested but not convicted will be retained for six years, not 12 years as originally proposed, regardless of the seriousness of the crimes for which they were arrested. The records of under-18s convicted of serious crimes will be held indefinitely, but for those convicted of minor offences, if it is a first conviction, the record will be kept for five years. Only if it is a second conviction will that record be held indefinitely. It would be disproportionate if a young person who commits a minor offence, which they deeply regret, were to have that crime held against them for the rest of their lives.

For under-18s who are arrested but not convicted, for both serious crimes and minor offences, their records will be retained for three years. For 16 and 17-year-olds entering the peak offending years, their records will be retained for six years.

There is one exception to the six-year rule for adults who are arrested but not convicted. The House will be aware that national security investigations, including counter-terrorism cases, can go on for many years. In some cases investigations have lasted for as long as 25 years. Setting a six-year time frame in such cases would be potentially damaging for national security. The Bill will therefore allow the retention of DNA profiles beyond the six-year point in these exceptional cases. Fewer than 1,000 such records exist, and under the Bill's proposals, each case would be reviewed every two years.

Although under current legislation those who seek to have their DNA profile removed from the database may apply to the chief constable to have their personal data removed, chief constables are under no obligation to fulfil such a request. The measures proposed by the Crime and Security Bill will place a legal duty on the chief constable to remove the DNA records in circumstances where the arrest was unlawful, the taking of the biometric data was unlawful, the arrest was based on mistaken identity or if there were other circumstances relating to the arrest or the alleged offender that would make it appropriate to destroy the material.

I believe these proposals strike the right balance between the need to protect the public and the rights of the individual, while being informed by the best available evidence. The proposals in the Crime and Security Bill, along with action to tackle youth unemployment, and the legally binding commitment to eradicating child poverty, will help to make this country a safer and fairer place. I commend the Queen's Speech to the House.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Although I do not wish to curtail the cut and thrust of debate in the Chamber by way of interventions, I remind hon. Members that the overall time for the debate is limited and there is a time limit on Back-Bench contributions. I am still optimistic that as many as possible will be able to make their contribution.

3.28 pm

Chris Huhne (Eastleigh) (LD): I welcome this opportunity to discuss the proposals put forward in this year's Gracious Speech. My hon. Friends have already pointed out that the Loyal Address is little more than an opportunity for electioneering, and the Government have admitted as much themselves. Much of the legislation stands little, if any, chance of making it on to the statute book, and is heading inexorably towards the wash-up and a soapy consensus. That is not necessarily a bad thing at this stage of a Parliament, but we have seen it all before, too often.

There is to be yet another criminal justice Bill—the 28th, on our count, since 1997—which throws together an essentially random selection of measures as diverse as the DNA database, about which we have just heard in some detail from the Home Secretary, domestic violence, gang injunctions, antisocial behaviour, wheel-clamping, mobile phones in prisons, and air weapons. This is legislation by grapeshot. Never mind the quality, feel the width.

Astonishingly, the proposed Crime and Security Bill will amend an Act that received Royal Assent only 13 days ago. That is swift revision even by the Government's prolix standards. I do not know what the Bill team at the Home Office have been up to, but they are clearly working overtime. In all this helter-skelter activity, and with the Home Office displaying all the symptoms of attention deficit disorder, where is the strategy? What are the Government trying to do? Are Ministers merely indulging in inane activity, like a hamster on a treadmill? I see in this frenetic energy no guiding purpose and no sense of direction. Our criminal justice system is crying out for an approach based on the evidence of what works, yet, once again, we have a Bill that proclaims populist objectives, regardless, in many cases, of the evidence and bereft of strategy.

The evidence suggests that prison should be for serious offenders and serial offences, not an everyday response to low-level thieving and other minor crime. Yet, looking at the big picture, we desperately need a shift from prison to other, more effective measures to stop reoffending. The reoffending rate for young men on their first prison sentence is 92 per cent. Prisons are just colleges of crime, where the young learn better the techniques that we would rather they did not learn at all.

David T.C. Davies: Does the hon. Gentleman not accept, however, that all the young men in prison have already been through all those community and non-custodial sentences that he is referring to, and that none of them has worked, which is why they end up back in front of the courts and in prison? At least they are off the streets.

Chris Huhne: I do not accept the hon. Member's point. In fact, in many cases, there is not an adequately graded response to criminal or antisocial behaviour, particularly among young people. I intend to return to that point later.

Prisons are full of drug addicts, who should be treated elsewhere, and people with mental health problems whose circumstances are likely to be aggravated by their prison experience. Adopting a problem-centred approach to crime, in which we actually did what worked to cut

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crime, would do far more to prevent crime and to detect criminals so that they could be caught. That would provide a far greater deterrent than just being even tougher on the tiny minority of criminals whose case ends up in a court conviction. If we take into account the British crime survey figures and those for business crime, plus those for people under the age recorded by the BCS, probably only one in 100 cases ends up in a court conviction. People are therefore unlikely to be impressed by posturing on tougher punishments. In fact, so small is the probability of being caught that it would make precious little difference if we were to promise far tougher punishments.

That is why we need a new approach, with a much greater emphasis on detection. We also need more prevention, involving easy measures such as improving outside lighting, alarms and window locks. We need more detection, to ensure that criminals face justice. The prevention aspect of that agenda alone provides the main reason why crime has fallen further and faster in Liberal Democrat-controlled council areas than in either Labour or Tory-controlled areas—*[Interruption.]* The Home Secretary laughs, but, given that his own city of Hull and many other major cities outside London are now under outright Liberal Democrat control, we are no longer making our point based on a small sample.

Alan Johnson: I apologise for laughing, but it was funny. One of the reasons why crime and disorder in Hull is really coming down as a result of the terrific efforts of the chief constable is the extra police who were put into the city centre by the previous Labour administration before the Lib Dems took over. All that the Lib Dems have done is take away is our free school meals service, which we very much want back. They have contributed nothing to the reduction in crime.

Chris Huhne: I am astonished that the Home Secretary thinks that free school meals are relevant to crime figures. Let me give him a practical example of what I am saying. I have visited a number of Liberal Democrat councils—as no doubt he has; perhaps he should visit more—to see what work they are doing on the prevention agenda. Let us take Liverpool as an example. There, the Liberal Democrat council has installed alley gates, which have the enormous merit of preventing burglars from popping into backyards and stealing things from people's homes. I am not saying that alley gating is the only factor, but that, along with policing, has had a dramatic effect.

Since its peak, crime in Liberal Democrat council areas has fallen by more than the national average, at 20 per cent. Before we get any chortling from Conservative Members, I should say that, on crime, Conservative areas have performed less well than the national average, with rates falling 16 per cent. since the peak. Let us look at violent crime: down 6 per cent. in Conservative areas, but down by more than twice as much—by 14 per cent.—in Liberal Democrat-council areas. We are talking not about small samples, but about quite substantial areas, and what matters is what works. We need a big, strategic shift from prison to policing and probation, because catching more people who commit crime is a greater deterrent than more harshly punishing the few whom we do catch.

Paul Holmes: My hon. Friend mentions policies that are based on the evidence of what works, and probation. Does he agree, therefore, that the Government's embarkation on cuts in probation funding and staff is folly, when, for example, the intensive alternative to custody that Derbyshire probation service is piloting costs one fifth of a custodial sentence and is more successful at preventing reoffending?

Chris Huhne: I am grateful for that intervention, because my hon. Friend is absolutely right to draw attention to the pilot in Derbyshire, where the results are encouraging and, indeed, the reoffending rates are as he describes. However, I agree with the Home Secretary that it is important to have more police on the front line—if only the Government would take his apparent advice. We need a further 10,000 police officers on the front line. We are still under-policed when compared with other leading industrial democracies, but we need better policing, too.

One of the biggest disappointments of the Gracious Speech and the Crime and Security Bill is that they represent yet another missed opportunity by the Government to show some real commitment to police reform. The National Policing Improvement Agency should be given a wider remit so that it can commission research into any measures that cut crime, including not only better policing methods, but measures outside the police. Chief officers should have greater discretion to manage their force, decide key staff changes and reward specialism.

The police contract—lifetime employment, now for 35 years, a single point of entry and pay linked to seniority rather than to talent or effort—should be urgently reviewed, as successive reports from inspectors of constabulary have pointed out. It was right to make a bonfire of the central targets and controls that have been introduced since 2002, but it was surely wrong for the Home Office not to cut back on the data requirements and red tape that went with that central control regime. It was surely wrong, too, to fail to put in place stronger local governance arrangements to pick up where Whitehall's meddling left off.

Chief officers must be responsible for operations, they must be independent and they must be operationally independent, but strategy and priorities must be determined by strong and representative police authorities that speak for their people throughout the force area. There should be better consultation at local, basic command unit or operational command unit levels, because that matters; but the real locus of accountability is where the money is decided, at police authority level, and only more powerful accountability will drive up policing standards towards the best.

Detection rates, even for violent crime, vary from 34 per cent. in the worst performing force, the Metropolitan police, to 67 per cent. in the best performing force in England and Wales. That is not an acceptable variation, and the public should not accept it. However, the Government have run away from the debate at the first whiff of gunshot from their own, Labour, councillors, and the official Opposition have proposed a system that makes strong men blench. One elected sheriff, in a multi-ethnic and diverse area such as Greater Manchester or the west midlands, would be a disaster, as the sheriff would be elected while ignoring the vast majority of his or her voters. That way lies insensitive policing, random

stop-and-search and the Brixton riots. Without such reform, the measures heralded in the Gracious Speech are just tinkering around the edges. We need stronger local governance, but it has to be right and it has to be representative.

Even where the Government are faced inexorably with the need for reform because of court judgments, they manage to botch their response. Let us look at the DNA database. Of course, DNA should be used in criminal investigations. No one denies that; and it will go on being used. Forensics should be better supported than Ministers' reorganisation of the service suggests. However, the Government's proposal—a six-year period holding DNA even of innocent people—is still an extraordinary response to the European Court of Human Rights and to the age-old principle of British justice that we are innocent until proven guilty. Just under 1 million innocent people—I think that the Chairman of the Home Affairs Committee, who is not in his place, said that the figure is 750,000, but my information from a parliamentary answer of 15 October is that it is 986,000—now have their DNA on the database, yet 2.3 million people who were convicted before DNA was routinely collected do not have their DNA on the database. No wonder the effectiveness of the database is steadily falling.

Liberal Democrats favour instead a simple rule: if someone is convicted, their DNA will remain on the database; if they are innocent, it will not. By contrast, the Government's illiberal proposal is likely to be struck down again by the European Court, as it is not a proportionate response to a problem, and it still intrudes on the right to privacy guarded in the European convention on human rights.

Alan Johnson: The hon. Gentleman just said that if someone is guilty and convicted, they are on the database, but if someone is innocent, they are not on the database. I thought that he supported the Scottish system whereby if someone is arrested but not charged for a serious offence they remain on the database. Is this a change in his approach?

Chris Huhne: The Home Secretary will have noticed that at our party conference—I note that we are a party that determines these things democratically—we voted very firmly for the view that innocence and guilt should be the determining criterion for whether someone is on the database. That has the great merit of simplicity and of being understood in line with our traditions in this country.

Chris Grayling: It is important for the House to understand where the Liberal Democrats are positioned on this matter, which is clearly going to be a matter of debate in the next few weeks, so can the hon. Gentleman clarify his position? Is he saying that the Scottish system is not the right one? I would have anticipated his supporting it, as he has appeared to do so in the past. Has that position changed?

Chris Huhne: As the hon. Gentleman knows, the Scottish system was introduced while the Liberal Democrats were in government in Scotland, and we were very happy with it. In fact, there is very little difference between the system that I have suggested and the Scottish system. As a matter of clarity, it would make things much simpler if we applied the simple rule of innocence versus guilt.

The Labour Government's inadequate proposals on the DNA database are entirely typical of their approach to crime and civil liberties. Ministers have ignored the evidence of what really works to cut crime, but they have still managed to trample civil liberties underfoot. It is shocking, for example, that only one in five hospitals is providing the anonymised data that allow police to target violent hotspots and cut woundings by 40 per cent. In the case of Cardiff, that is clearly shown not in anecdotal evidence of the sort that the Home Secretary gave us on the DNA database, but in peer-reviewed, solid academic evidence of the type that he unfortunately proved rather too dismissive of in respect of the Advisory Council on the Misuse of Drugs.

The reality is that Ministers repeatedly come here with proposals that scythe away at the right to protest, the right to know how people have died at the hands of the state, the right to jury trial, the right to express oneself in a public place, the right to know what one is charged with when detained for up to 28 days, and the right to leave one's own home if a Minister decides otherwise in a control order. Rarely has so much that is so precious been sacrificed so enthusiastically on the altar of ineffectiveness.

That death of civil liberties by a thousand small cuts is precisely why Liberal Democrats have put forward a coherent and comprehensive Bill for repealing intrusions into hard-won freedoms. It is called the Freedom Bill. It proposes a reduction in the period of detention without charge from 28 days to 14 days. It advocates the abolition of the illiberal and discredited control orders regime—which, according to a recent front-page article in *The Daily Telegraph*, the Conservatives oppose. I was surprised to see that, given that whenever the measure has been up for annual renewal they have repeatedly refused to join us in the Lobby to show their opposition.

Our draft Bill also advocates renegotiating the unbalanced US-UK extradition treaty, with particular relevance to the current case of Gary McKinnon, who suffers from Asperger's syndrome; scrapping the illiberal and expensive identity cards scheme; and rolling back the surveillance state by curbing the use of the Regulation of Investigatory Powers Act 2000, rather than removing the checks on police use of that Act, as the Conservatives propose. Only by putting together the cumulative losses of freedoms can we dramatise the effects of this Government since 1997, and indeed of the last Conservative Administration. The Freedom Bill is a key priority for us.

I turn to the stronger powers to tackle antisocial behaviour that have been suggested. It is a real and pressing problem across the country, as we all know from our constituencies. It can blight people's lives to live near or next to a family from hell. We will examine in detail the measures that the Government have brought forward in the Crime and Security Bill, and we will deal with them on their merits. Again, however, the strategy is far from clear.

We would instead introduce new community justice panels and positive behaviour orders and increase the use of acceptable behaviour contracts, while reserving antisocial behaviour orders as a last resort. There is a real problem with ASBOs at present, because they are honoured mostly in the breach. They are not used as a last resort, and they are not enforced properly. In response to the hon. Member for Monmouth (David T.C. Davies), who mentioned custody, ASBOs should be part of a

[Chris Huhne]

graduated response to a problem rather than something that we go to early in the process, which merely brings them into disrepute. We would also pilot a youth volunteer force, to make engagement with the community more attractive to young people and to bridge the divide between young and old people. Activities could include the restoration of sports facilities or environmental projects, providing people with skills for the future.

I turn to immigration, which was an important feature of the remarks of the hon. Member for Epsom and Ewell (Chris Grayling) in particular. The Government have squandered opportunity upon opportunity to reform what is a broken system. The draft Immigration Bill is the ninth immigration Bill since 1997. If they were going to simplify the system all along, why have they used eight Acts to make it so complicated that the long-awaited and much lauded simplification Bill is now only ready to be published in draft? Their inability to tackle the issues involved simply beggars belief.

The debate on immigration should be based on the evidence of benefit to this country, not on scaremongering about British jobs for British workers or on whipping up yet more anti-immigration rhetoric. The abolition of exit checks by the Conservative Government, followed up by the Labour Government, means that we still have no idea how many people are in this country illegally. Nearly 2 million short-term visas are issued every year to students and others, but we still cannot check whether they have been respected by seeing whether the people who have been issued with them have left the country, as the UK Border Agency is still only able to check 60 per cent. of exits from this country. The Liberal Democrats would immediately reinstate exit checks, so that we could at least grasp the extent of the problem and ensure that short-term visas were respected. We would create a new national border force with police powers, so that our borders were properly controlled.

I did not hear anything from the Conservative Benches, or indeed the Labour Benches, about the benefits of legal migration. With a quarter of the doctors and half the nurses in London having been born overseas, the NHS would collapse without migrant workers. Migration must be able to respond to the diverse needs of different regions and industries, and a blunt cap on immigration of the sort proposed by the Conservatives—without any number attached to it, we note—would frankly be a Soviet-style response from a dynamic market economy such as that of the UK. Would we really refuse to allow Manchester City to sign Robinho at the transfer window because a cap had been reached, or refuse to allow some City of London firm to hire someone who could help create jobs for British people by bringing a skill that was not already available to us? That is just simple populism, not sensible policy.

North of the border in Scotland, even Conservatives want more migration and a larger population. In the south-east of England, by contrast, we are talking of desalination plants to provide fresh water, which clearly shows that we are reaching the environmental limits of population density, because such plants require fossil fuels to heat the water to evaporate the salt.

The Liberal Democrats would ensure that immigration works in the interests of the UK by creating a regional points-based immigration system, giving greater weight to skills and regions that need migrants and less to those that do not.

Chris Grayling: With respect, I do not think I have heard such a load of complete nonsense for a long time. Will the hon. Gentleman explain that? How can he have a regional points-based system? If there is a quota for the north-east and people are allowed to move there, what stops them emigrating there and then moving to London, which may be full up?

Chris Huhne: The hon. Gentleman really must stop displaying his ignorance of matters within his portfolio. If he had actually spent any time studying systems that are based on the points-based system that we apparently copied, he would know that they operate in Australia and Canada. What happens is that a visa is issued that applies to a particular geographical area.

The hon. Gentleman may be aware that 192 million people come in and go out of this country every year and that the most effective way of controlling illegal immigration is through employers. The system is very simple. As in Australia and Canada, we ensure that an employer has the visa papers of an employee. If they do not entitle that employee to work in that region, that is illegal immigration just as much as not having a visa at all. The system is very simple and it works. He could tell me that people will live in Southampton and work in Edinburgh, but that is highly unlikely. The main point is that the visa applies to the workplace, which is—he can talk to the UK Border Agency about this—the most important way of enforcement.

Mrs. Anne McGuire (Stirling) (Lab): May I give the hon. Gentleman a scenario? Suppose a company in Eastleigh that employs migrant workers has a branch office in Edinburgh, to which it would like to transfer two of those workers. How would he police a system which, effectively, is almost about internal house arrest in parts of the country? It is a bizarre suggestion.

Chris Huhne: It is not internal house arrest at all because it applies not to where people live, but to where they work. The key point is that it is a work visa. That is what happens in both Australia and Canada and, actually, the right hon. Lady should be aware that it happens in this country too. I agree that the Government whom she has supported do not enforce visas adequately and that they do not do enough checks of employers. There have been far too few prosecutions of employers—fewer than 200 since 1997 on the latest figures—but it is through those and checks on employers that we enforce the existing system. Exactly the same thing would apply under a regional points-based system.

The home affairs aspects of this Queen's Speech are nothing new: yet more legislation, thrown together in a haphazard manner and designed only to attract headlines rather than tackle meaningful reform an any issue, from policing to civil liberties, immigration and the DNA database. This Government have created 3,600 new criminal offences since 1997 and we are still counting—such criminal offences as the creation of a nuclear explosion, as if murder and criminal damage were not enough to meet the contingency. We have seen sheaves upon sheaves of new Bills. If law was the answer to problems, we

would have none. However, law is rarely the only answer, and sometimes not even a partial one. It is high time the Government concentrated on evidence and delivery rather than new Bills. If they did so, Britain would be a better place with a substantially lower crime rate.

3.55 pm

John Austin (Erith and Thamesmead) (Lab): Today marks the 10th anniversary of the formal proclamation by the United Nations of 25 November as international day for the elimination of violence against women. Violence against women and girls takes many forms and affects all our communities. I acknowledge that the Government have done much to raise awareness and to protect victims of domestic violence, and much in the area of prevention, as the Home Secretary outlined earlier. I do not wish to delay the House by quoting more statistics, except for one that relates to the different way in which women and men may experience violence. Men are more likely to be victims of violent crime than women, but in domestic violence, in which the vast majority of victims are women, the victims have been assaulted on average 35 times before reporting those crimes to the police.

I welcome the Home Secretary's statement of support for the white ribbon campaign, as worn by many right hon. and hon. Members today. I commend the campaign, especially on its efforts to involve men in tackling the issue of domestic violence. In a Parliament in which women are under-represented, it is vitally important that male parliamentarians get involved in this campaign.

The Parliamentary Assembly of the Council of Europe, on which I serve, is persevering with its commitment to promote the drafting of a future Council of Europe convention to prevent and combat violence against women, including domestic violence. In adopting a binding legal instrument, the Council of Europe would send out a strong political signal. I hope that the Government will support such a move in the Committee of Ministers. As the vice-chair of the sub-committee on trafficking in human beings of the Parliamentary Assembly of the Council of Europe, I welcome the Government's decision, a year ago, to ratify the European convention on action against trafficking in human beings. Earlier this week, the Joint Committee on Human Rights, together with the hon. Member for Totnes (Mr. Steen), who was in his place earlier, visited the human rights trafficking centre in Sheffield. I know that the future location and legal status of the centre is under discussion. Whatever happens in those discussions, the corporate identity and the collective wisdom in the Sheffield unit should be retained.

I recall that part of the Government's initial reluctance to ratify the convention was the argument from immigration officials that a victim-based approach could undermine immigration controls—the so-called pull factor. At the time, the JCHR argued that it was not credible to suggest that a woman would voluntarily submit to indeterminate sexual slavery of the most brutal kind for the purpose of obtaining UK residency. Thankfully, that view prevailed and was accepted by the Government. But I fear that immigration officials have not substantially changed their views and for that reason if, come April, the human rights trafficking centre is not to be a free-standing agency, it would in my view be better and more appropriate for it to be located with the Serious Organised Crime Agency rather than with the UK Border Agency.

The convention on trafficking has been in effect since February, and the monitoring system is now up and running. I seek an assurance from the Government that they will continue to ensure that the monitoring mechanism—the Group of Experts on Action against Trafficking in Human Beings or GRETA—is adequately resourced and that they will legislate or otherwise act on its findings on the UK's implementation of the convention.

There are conflicting statistics on trafficking but we know that thousands are trafficked for sexual exploitation, the majority of whom are women. However, it is not only trafficked women who are forced or coerced into prostitution, which is another example of violence against women. Most prostituted women have been abused, and most of them are tricked into prostitution usually by men who groom them, get them addicted or use their power over them in other ways. That is why I welcome the historic vote in the other place on 3 November to back the Government and make it a crime for men to demand and pay for sex with trafficked women or those forced or coerced to work as prostitutes. In that historic vote, we have moved from the supply side to the demand side by insisting that men, not women, should bear responsibility for the abuse of prostituted women. But that vote will be effective only if the law is used. Passing the law is not the same as implementing it. It will be up to the Government to ensure that the police and magistrates make it work.

I do not want to comment substantially on the circumstances of the Dr. Magnanti and Belle de Jour saga, but I agree with Object's campaigns co-ordinator, Anna van Heeswijk, writing in the *Evening Standard*, that the one voice that has been conspicuously absent is that of the silent and silenced majority of women in prostitution who do not experience the sex industry as harmless fun. I share her view that the glamorous way in which it has been presented in the media tends

"to normalise what for the majority constitutes abuse and exploitation"

and

"grooms women and girls into thinking that selling their bodies is an empowering career choice and tells men and boys that buying women for sexual use is acceptable".

It is not. And we should state firmly that it is not.

Another gross form of violence against women is female genital mutilation. I congratulate the Government on having introduced the Female Genital Mutilation Act 2003, which is intended to help prevent that unacceptable and barbaric practice.

David T.C. Davies: Is the hon. Gentleman aware that, since the Act was introduced, not one person has been convicted of an offence under it and that only one case has been investigated? Is it not a disgrace that the Act was passed but no real action has been taken?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Member for Erith and Thamesmead (John Austin) that, if he has given way, he must not remain on his feet.

John Austin: I apologise, Mr. Deputy Speaker.

The hon. Gentleman anticipated my comments. There is substantial evidence to suggest that hundreds of girls and young women are taken from this country every

[John Austin]

year for such abuse to be carried out elsewhere. The Under-Secretary of State for Justice, my hon. Friend the Member for Watford (Claire Ward) told the House that there have been no prosecutions or convictions for female genital mutilation. The Government have appointed a cross-Government co-ordinator to provide a single point of contact for work on that issue, and I hope that a Minister can come before the House, in the not-too-distant future, to report progress on the matter.

I wish to make one other reference to the Council of Europe. As the Parliamentary Assembly's rapporteur on honour-based violence, I would like to thank my right hon. Friend the Home Secretary for the assistance that his officials gave to me in commenting on the draft text of my report before publication. The report's recommendations have been adopted unanimously by the Parliamentary Assembly of the Council of Europe. Most of the recommendations are already in place and have been implemented in the UK, but I would welcome Home Office support in the Committee of Ministers for the widest possible implementation of the recommendations on honour-based violence throughout the 47 member states.

On the issue of forced marriages, the Government are to be congratulated on the Forced Marriage (Civil Protection) Act 2007, which came into force last year. There is a fine line between forced marriage and so-called honour crime, as was shown in the brave testimony of Dr. Abedin, a woman doctor of Bangladeshi origin practising in London, who gave evidence to our committee. She had been held captive in Bangladesh and forced to marry. Thanks to the legislation passed by this Government and this Parliament, and with the co-operation between the UK and Bangladeshi authorities, she has been able to return to the UK, where she is trying to rebuild her life.

I would like to say a brief word on constitutional reform. Some 40 years ago, I chaired the British Youth Council and was involved in a successful campaign to reduce the voting age to 18. A few weeks ago, some hon. Members were in the Gallery of the Chamber when the UK Youth Parliament met and voted to take up as its campaign the right to vote at 16. I support it in that endeavour and shall quote a speech in the debate by a young man called James Evans:

> "At 16, we can marry our MP, we can sleep with our MP and we can have children with our MP. We can sign up in preparation for fighting and potentially dying for our MP. And suddenly we are not mature enough to vote for them".

I thought that those were wise words from a young, potential parliamentarian.

You will know, Mr. Deputy Speaker, that I am the hon. Member who represents Her Majesty's Prison Belmarsh. Although famed for being a maximum security prison, which it is, Belmarsh is also a local prison. I share the view of the hon. Member for Eastleigh (Chris Huhne) that there are far too many people, and particularly young people, who are in prison inappropriately for less serious crimes and for whom it serves no positive purpose. When we discuss the new Crime and Security Bill, I hope that we will see more resources diverted into restorative justice schemes and non-custodial, community-based projects.

I share the concern of the Children's Commissioner and the commissioner for human rights at the Council of Europe that too many of our young people are incarcerated or locked up in this country. Next door to Belmarsh, we are about to open the youth offenders institution Isis, which some people are calling "Son of Belmarsh". Less than a mile away from that institution, there are two superb projects: the youth awareness project and the archway project, which have a commendable record in diverting young people away from a life of crime. However, such projects are struggling for resources, while we pour more and more money into locking up young people for no positive purpose. I hope that we will see a transfer of funding into some of those more positive ways of working with young people.

My final point relates to the tragedy that occurred a fortnight ago on Tavy bridge, which was the scene of the fatal stabbing of a young man called Moses Nteyoho. We have to tackle the problem of knife crime. Projects such as the youth awareness project in Thamesmead and the archway project are successfully doing just that and diverting young people away from gang culture. My hon. Friend the Member for Brent, South (Ms Butler), who was recently appointed as the Cabinet Office Minister with responsibility for young citizens and youth engagement, recently visited those projects and was greatly impressed. I hope that she will report to other Ministers and Cabinet members on how such schemes can be supported and promoted.

Charlton Athletic community trust has involved the parents of Rob Knox, who was fatally stabbed in Old Bexley and Sidcup. Charlton Athletic won the community club of the year award because of its "Street Violence Ruins Lives" campaign, which has brought the club and the community together to engage with young people. I invite the Ministers to come down and see Charlton Athletic community trust's action on fighting knife crime.

4.8 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I say what a pleasure it is to follow a thought-provoking speech by the hon. Member for Erith and Thamesmead (John Austin)?

In 1997, the Government came into power on a huge wave of expectation—expectation that was based on huge promises. Given that the Gracious Speech makes even more promises, we should reflect a little on the promises made in the past. To that extent, I will continue the theme started by the shadow Home Secretary. The Government's biggest promise was that they would be tough on crime and tough on the causes of crime. However, although the Government claim that crime is down, the reality is that violent crime is up, gun crime is up, knife crime is up and drug offences are up—by nearly 80 per cent. As we heard earlier, Britain has now become the cocaine capital of Europe.

As for antisocial behaviour, all three Labour party manifestos—in 1997, 2001 and 2005—spoke of dealing with the problem. If ever there was an admission of failure, it was the reference in the Gracious Speech to introducing legislation to tackle antisocial behaviour. The tragedy is that, in the intervening years, so many people—often some of the poorest and most vulnerable in our community—have gone through so much suffering

and misery. No one doubts that the 3.9 million incidences of antisocial behaviour recorded in England and Wales last year are a gross underestimate. People simply do not report these sorts of incidences because they are worried about the consequences for themselves and their families from the thugs who engage in such antisocial behaviour.

Ms Sally Keeble (Northampton, North) (Lab): I was a member of the Standing Committee that considered the first legislation on antisocial behaviour. As I recall it, the hon. Gentleman's party would not accept that there was such a thing as antisocial behaviour or that it needed legislation. Will he therefore deal with his party's road to Damascus conversion of accepting not just that antisocial behaviour exists, but that it is something that should be dealt with by law?

Mr. Vara: I am grateful to the hon. Lady for giving me the opportunity to remind her that after 12 and a half years in government, she and her colleagues should perhaps address the promises they have made to the British public, rather than conversations in Committee Rooms in this place. Had they honoured and fulfilled those promises, perhaps the tone of this debate might have been a little different.

At the Labour party conference in 2002, Tony Blair said:

"Those who assault teachers or nurses should go to jail."

No doubt Mr. Blair received rapturous applause from all those in the hall when he said that, but we should go to our hospitals today and see how many hospital staff are prepared to applaud the Government. We should ask the staff about the 55,000 physical assaults on hospital staff last year alone, and we should ask them if the promises of jail for those perpetrators have been fulfilled by the Government.

Dr. Starkey: It is for the courts.

Mr. Vara: The hon. Lady says, "Of course," but I suggest that she does some homework before she makes such comments because the facts are anything but what she says.

What of those thugs who are caught? For them, antisocial behaviour orders are more a badge of honour than a measure of crime prevention. The 2001 Labour manifesto included a pledge that "persistent offending" should lead to "more severe punishment", but that has turned out to be such a mockery that it is scarcely worth spending time on it, although I will dwell on it just a little. Penalty notices for disorder are dished out by police forces like confetti. Some individuals are given penalty notices even before they have paid for the previous one. Following a freedom of information request that I made to every police force in the country, I found that one individual had received eight notices in one year alone. Surely someone should have come to the conclusion at some point that the method of preventing crime by simply issuing another notice was not working.

Labour's 1997 election pledge was to ensure that prison regimes would be constructive and that inmates faced up to their offending behaviour. There have been many subsequent promises to provide education and training, and treatment for drug addiction, but they have simply not been followed through. In fact, prison is now one of the best places in which to pick up a drug habit.

Let us consider what actually happens to prisoners when they go to prison. A new prisoner waits a few weeks to get on a training course. When he or she finally gets on that course, they are likely to be moved to another prison halfway through that course—without finishing it. Then, at the new prison, they start the whole process again, and wait a few weeks to get on a course and so on, so the cycle continues and the training is never completed. No wonder prisoners leave prison still unable to read or write, or to have a useful trade that could help them contribute to society, rather than being dependent on society or offending again. It was hardly surprising that when my hon. Friend the Member for Reading, East (Mr. Wilson) tabled a written question on the amount of education received in prisons, he was told on 5 November, at column 1212W of *Hansard*, that prisoners at Reading prison receive less than an hour of education a day.

The drug rehabilitation programme has a similar pattern to that for training. A prisoner waits for several weeks to get on a course, and when he finally gets on it, he is moved to another prison. He waits for a few weeks again, gets on a drug rehabilitation course, and moves on to another prison yet again before the course is completed.

It is not only prisoners who are moved from one prison to another but, frequently, governors. It cannot be right that the average turnover time for a governor in a prison is a mere 18 months. We must have a system in which governors stay in a prison long enough to put in place initiatives that will be good for the inmates, and long enough to see those initiatives through. Given the present circumstances in prisons, it is hardly surprising that the incidence of self-harm in both prisons and youth offender institutions increased by more than 25 per cent. between 2004 and 2008.

There has been an absolute failure to manage the prison population. The Government have ignored all the warnings about an impending crisis in prison places. That is why prison capacity is now at 99 per cent., and it would have been a lot worse were it not for the Government's early release programme, under which nearly 70,000 prisoners have been released early, including those who had been locked up for violent offences.

The Labour manifesto of 1997 said that police should be on the beat, not pushing paper, yet 12 and a half years on, our police are being stifled by bureaucracy. Men and women join the police force not to sit behind desks, but to be out there on the streets, dealing with crime. We have the absurd situation in which the personal details of an arrested person can sometimes be recorded up to 17 times, on as many different forms.

A different, but important, consideration that is often overlooked in such debates is the hidden cost of crime: the cost of pain and suffering endured by the victims; the cost to the national health service; the cost of social services; the cost of the stress and strain put on the family and friends of those who need to adjust to care for the victims of crime; the cost of lost wages; the cost of increased insurance premiums, and so on. Although those are the hidden costs of crime, they are nevertheless real. The Home Office has tried only once to cost the separate headings, and in 2003 the estimated figure for those hidden costs was a staggering £29 billion. I am not surprised that the Government are not keen on an

[Mr. Vara]

annual assessment of the hidden cost of crime, because under them that figure would have increased on a regular basis.

To conclude, I refer to the original phrase uttered by Tony Blair: "Tough on crime, tough on the causes of crime". Two weeks ago, in an article in *The Sunday Times*, Sir Paul Stephenson, the Metropolitan Police Commissioner, was asked to comment on whether he thought that Labour had delivered on that pledge, and his response was a diplomatic, "No comment." The Government have shown themselves to be weak on crime and weak on the causes of crime. They have shown themselves to be rich in rhetoric and poor in substance, plentiful in promises and lacking in delivery.

After 12 years in government, six Home Secretaries, 39 junior Ministers, nearly 50 criminal justice Acts and more than 3,000 offences, the Government have still not delivered on law and order. They are past their sell-by date. More importantly, they are well past their use-by date. They need to acknowledge that it is time to go.

4.20 pm

Mr. William Bain (Glasgow, North-East) (Lab): Thank you, Mr. Deputy Speaker, for giving me the opportunity to make my maiden speech during the debate on the Loyal Address. It is an honour for any right hon. or hon. Member to represent any constituency in this House, but it is an even more special privilege to be able to serve the community in which I was born, brought up and educated, and in which I have lived throughout my life.

One of the upsides of having just fought the longest by-election campaign in modern history is that I was able to meet almost one in six, or 10,000, of my constituents during its course. What renewed my faith in our democratic process was having the opportunity to share my vision for Glasgow, North-East, and to hear of my constituents' hopes for their future, face to face. Despite the low turnout, the people of Glasgow, North-East care deeply about politics and about repairing the reputation of this House. They have sent me here to support the recommendations of the Kelly report, and to seek greater transparency in the way in which decisions are made by the House and our other democratic institutions.

It was gratifying that so many of my right hon. and hon. Friends—and, indeed, right hon. and hon. Members on the Opposition Benches, particularly the right hon. Members for Witney (Mr. Cameron), for Sheffield, Hallam (Mr. Clegg) and for Banff and Buchan (Mr. Salmond)—were able to campaign in the constituency. Perhaps that contributed to the unexpected size of my majority, which was 8,111.

I should like to share with the House a conversation that I had with a voter on the eve of polling day. Many Members may sympathise with my predicament. When I canvassed this particular elector for the third time, he greeted me with the same response that he had given on the previous two occasions. "Are you still trying?" he asked. "Yes," I said. "I cannot support any of you," he said. "None of the candidates has sufficient experience to be elected as my MP." As I prepared to concede and to consider that my efforts might be fruitless, he leaned conspiratorially over his garden fence and said "Don't worry, I will be supporting your party—not because of you, mind you; I will be voting for the Prime Minister."

I represent a varied and interesting group of more than 20 communities in Glasgow, North-East, from Ruchill and Lambhill in the west to Hogganfield and Millerston in the east, and from Dennistoun in the south to Colston and Milton in the north. Each has its own history and character, but what they have in common is that they contain people of great humour, hard-working people, people of intelligence, talent and aspiration.

During the campaign, I met mothers in Royston who were determined to fight for better child care so that they could work more hours to support their families. I met young people in Ruchazie who were taking the first step towards an apprenticeship through a programme run by a local voluntary group. I met retired people in Possilpark who were running a lunch club three times a week for local disabled people because of their strong sense of social responsibility. While they do not believe that Government on their own have the answer to every ill in society, nor do they believe that Government are the problem—and nor do they believe that Government should be cut back, with all the social consequences that we saw in Glasgow in the 1980s and early 1990s.

My constituents are not, as some portrayed them in the election, passive recipients of the welfare state, but people who want to see their children do better than they have done and to possess the courage and ambition to strengthen their communities. They elected me because I will stand up for their values, and will support the policies on investment in jobs, child care, pensions, tax credits and the minimum wage that will bring about a great improvement in their living standards. They support an active state that can be a force for good and has greater equality as its aim, not an enabling state that would enfeeble communities because of its withdrawal of investment in jobs or decent public services.

The Glasgow, North-East constituency was created at the last general election from the previous seats of Glasgow, Springburn and Glasgow, Maryhill. Both areas have in the past had outstanding representatives, such as George and Agnes Hardie, John Forman, Richard Buchanan, James Craigen, Maria Fyfe—as doughty a fighter for social justice today as she was when a Member of this House—and, of course, my neighbour, the Under-Secretary of State for Scotland, my hon. Friend the Member for Glasgow, North (Ann McKechin), whose commitment on issues such as international development I have respected for over a decade. There have even been two Conservative Members in the past: Frederick Macquiston, supporting a Liberal-Conservative coalition between 1918 and 1922, and Captain Charles Emmott of the National Government coalition between 1931 and 1935. Neither experiment has been repeated by my constituents since.

My immediate predecessor is Lord Martin of Springburn, and of Port Dundas. He is an exceptional person and parliamentarian. My family and many others in my constituency have known him for decades, and can attest that his career has been a tribute to the best traditions of public service. I know him to be a man of great fortitude under pressure—never more so than when Speaker of this House for nearly nine years—and of great kindness. I am sure that hon. and right hon. Members will have their own memories of individual acts of encouragement or advice he gave, but no one will forget the compassion he showed to the late Patsy Calton on resuming her seat after the last general election in the midst of her brave battle with cancer.

Lord Martin was a member of Glasgow Corporation between 1973 and 1979, and a Member of this House for 30 years, being returned with prodigious majorities in seven consecutive general elections. Key to his politics was his passion for better housing. His own experiences growing up in Anderston, together with his vision to improve his community, led him to champion the development of new social housing. He was a founder-member of what is now North Glasgow Housing Association, and the more than £100 million of investment in homes in the constituency is an achievement of which Lord Martin and this Government can justly be proud.

As Speaker, Lord Martin was a resolute defender of the rights and privileges of the legislature from Executive encroachment. His wit, fairness and humour are missed from this House, but are now at the disposal of the other place. I wish him and his family well for the future, and it is a particular pleasure to work with his son, Paul, who is an outstanding Member of the Scottish Parliament for the area.

Every Member representing Glasgow is also a successor to the tradition of progressive politics championed by John Wheatley and James Maxton. Their commitment to equality finds new expression in our debate today. Most of my working life has been spent in education, and I was pleased to visit recently both colleges in my constituency: John Wheatley college in Haghill, and North Glasgow college in Springburn. They provide people with high-quality further and higher education and training, transforming the life chances of, and outcomes for, my constituents.

The most pressing issue in this debate, and for the country at large, is unemployment and how to move our economy into recovery. Although the increase in unemployment has slowed in recent months, the International Monetary Fund anticipates that it will continue to rise until 2010, and this particularly impacts upon young people. Our constituents will judge us harshly if we fail to act now. That is why we need not only a continuing fiscal stimulus, but a continuing jobs stimulus. I welcome the additional £5 billion that my right hon. Friend the Secretary of State for Work and Pensions has to invest in jobs for 18 to 24-year-olds and the long-term unemployed. I welcome the impact the future jobs fund is having in Glasgow, where 470 jobs have been created so far, but there is an urgent need for many more. I will shortly bring together employers, the city council and voluntary groups in my area to develop bids to bring more of this investment to Glasgow, North-East. At present, there are 1,275 jobless young people in my constituency, but only 617 employment vacancies. Had it not been for the policies followed by this Government on the new deal, the flexible new deal and the future jobs fund in the past year, the number of unemployed would have been far higher.

We have faced the biggest shock to the global economy for more than 60 years and our European Union partners are struggling with high unemployment too. Tough economic times make the burden of child and family poverty even greater, which is why I support the Child Poverty Bill in setting targets and setting out a comprehensive strategy for the abolition of child poverty by 2020. We also need to commit across the House to the improvements in child benefit, tax credits and the minimum wage that will make it happen.

These will be vital months in securing our economic recovery, and the jobs and living standards of millions of people will be affected by the decisions we take. Whatever our differences on policy across this Chamber, the great strength of this House is that we can rise to national challenges together. Let us face these responsibilities together and remember that greater economic fairness and equality is the prerequisite of greater liberty for the British people. I look forward to debating these issues and others with hon. and right hon. Members across this House in the coming months and to supporting the Gracious Speech in the Division Lobby today and tomorrow.

Mr. Deputy Speaker: I have now to announce the result of a Division deferred from a previous day. On the question relating to Adjournment (Christmas), the Ayes were 273 and the Noes were 198, so the question was agreed to.

[The Division list is published at the end of today's debates.]

4.32 pm

Mr. Anthony Steen (Totnes) (Con): First, I congratulate the hon. Member for Glasgow, North-East (Mr. Bain) on his speech. I cannot remember when I made my maiden speech or even what I made it about, but I should say that making a successful maiden speech, such as his, is an initiation through which we all have to go to be accepted by both sides of this House. I actually listened to his speech and the fact that so many other Members were present shows that they listened to it too. We all look forward to listening to more of what he has to say, but I must tell him that the Chamber will not be as silent in future as it was then.

I wish to discuss the absence in the Gracious Speech of the subject of human trafficking. We often hear about crimes, drugs, knife crimes and DNA, but we do not talk much in this Chamber about the problems caused by human trafficking, which exist in Scotland as much as they do in England. The fact that the United Nations put the searchlight on human trafficking shows that it is a serious international problem. In the 19th century, this horrific crime was recognised as a fundamental abuse of human rights worldwide; citizens of richer nations felt that they could, with impunity, abuse and control the lives of those less fortunate than themselves. It is not that slavery was anything new in the 19th century, as it had already existed for thousands of years, with Israelites in Egypt having been enslaved by Pharaohs. What Wilberforce did was to draw attention to it and highlight the fundamental injustice of one human being misusing and abusing another for their own personal gain. Wilberforce had amazing public relations skills, which resulted in the world banning slavery.

Sadly, however, passing Acts of Parliament does not stop slavery. What we have got now in this country and in the world is new slavery. The United Nations figures suggest that nearly 1 million people are enslaved each year, being trafficked and exploited. Men, women and children are victims, some of forced labour, some of sexual exploitation. Trafficking has leapfrogged over arms dealing and is now second only to drug trafficking when it comes to criminal activity and gain. Human trafficking is estimated to generate annual profits for the traffickers of £32 billion.

[Mr. Anthony Steen]

Wilberforce brought the slave trade to an end and the so-called developed countries moved on, but they moved on to create new slavery. Ten years ago, the subject was barely debated in the Chamber or recognised as an issue. Not much space was given to it in our debates, either here or anywhere else, because, to put it simply, there are few votes in human trafficking. It is not a matter that concerns the electorate.

We must give credit to the Government and, in particular, to the hon. Member for Gedling (Mr. Coaker) in his former role as Minister of State in the Home Office for drawing attention to new slavery as it affects this country and for doing something about it. It is not about smuggling people, asylum seeking or illegal immigration. Human trafficking is something different—it deceives and misleads some of the most vulnerable people in the poorest countries into believing that there is a new and better tomorrow around the corner. It is about deception. It is about using other people's lives to make money for the trafficker.

Yes, there are sex traffickers. There are illiterate girls with lover-boy syndrome. There are girls with little self-esteem and no education, who are often from rural backgrounds and who typically have unstable family histories. Trafficking does not just happen from poor countries to this country—it happens within this country, too. Trafficking is going on within England, Northern Ireland, Scotland and Wales and it is growing. Trafficking does not just take place from Thailand or Bulgaria—it takes place within the country as well as outside it.

As regards child trafficking, there are children from China and Vietnam involved in the cultivation of cannabis plants. The Metropolitan police have 300 factories identified in London alone and there must be more in other parts of the country. However, it is principally children from the EU who are trafficked to steal on the streets and who are involved in ATM thefts. There is no place for these children to go into care, because there are no people with the same language who are willing to foster them and there is no room in children's homes. They are sent back to where they came from and re-trafficked. Some are under the age of 10 and an artful child can earn up to £100,000 a year for their traffickers. We have identified more than 1,000 such children already on the streets in this country, and they move between this country, Spain, Italy and back again, avoiding detection.

Globally, there is growing awareness of how extensive trafficking is and of the different types of exploitation into which people are trafficked, but it is not visible. Of course it is not—we do not see car thieves or burglars in the act, and we do not see traffickers in the act. It is worth noting that more than twice as many people are in bondage in the world today as were ever in chains during the 350 years of the African slave trade.

I mentioned the Minister for Schools and Learners, the hon. Member for Gedling, and I should mention the action plan that brings together the Ministry of Justice, the Home Office, the Foreign and Commonwealth Office, the Department for International Development, the Department for Culture, Media and Sport, and the Department for Children, Schools and Families. All the Government Departments are now involved. We have wonderful non-governmental organisations in this country, such as ECPAT UK—which stands for End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes—the POPPY project, the Helen Bamber Foundation and other anti-trafficking bodies. Endless groups of people are concerned about the problem, but it is still growing.

Against that background, I want to approach the question of why the Metropolitan police are planning to close their human trafficking department. I have been one of the people who are fortunate enough to have been on the police service parliamentary scheme for the last two years; I think that I am the oldest policeman on the streets of London. It has allowed me to see the splendid work of the human trafficking team. We have 31,000 officers in the Metropolitan police, and there are only nine in the human trafficking department. The plan is to close it, as they say that it should be merged. However, if they merge it, the department's profile will be lost, as will the important work that it does.

The Olympics mean that more people will be trafficked, and I shall give the House an idea of the numbers involved. There will be 100,000 people working on the games, as well as 10,500 athletes and 20,000 press and media people, and a total of 9 million tickets will be held by spectators. Human trafficking will increase, and it will affect the men involved in debt bondage, the children trafficked on the streets and the women trafficked for sex. To close the Metropolitan police scheme, as is being considered at the moment, would be sheer folly.

I have the privilege to chair the all-party committee on human trafficking, and we are diametrically opposed to the human trafficking team being closed and absorbed by some other group.

John Austin: Has the hon. Gentleman had any discussions about that proposal with the Mayor of London, who chairs the Metropolitan Police Authority? Has he asked what the justification for it is?

Mr. Steen: That is a splendid idea and, if I may, I shall blame the hon. Gentleman for giving it to me. I shall approach the Mayor tomorrow and convey to him exactly that point.

I turn now to the UK Human Trafficking Centre in Sheffield, which the hon. Gentleman and I visited last Monday. I thank the Joint Committee on Human Rights for inviting me to attend, as it was an illuminating and interesting day, but I am also concerned that the Government are thinking of closing that centre too, on the basis that it could be absorbed into the Serious Organised Crime Agency or put into the immigration service.

If either option came about, we would once again lose the important knowledge that the centre has provided over the years and which has been of such benefit. Incorporating it into a larger organisation may be good political thinking on the part of a Labour Government who like things to be bigger and bigger, but it will not help the human trafficking scene in this country.

John Austin: The hon. Gentleman will know that the UK Government's ratification of the convention on human trafficking was delayed in part by arguments from the UK Border Agency that there was a pull factor in adopting a victim-based approach to trafficking. Does he share my view that the Border Agency is not the place to locate the trafficking unit?

Mr. Steen: I agree entirely. The UK Border Agency, good though it is, has serious problems, one of which is that it does not distinguish a person who is trafficked from one who is not. The UK Human Trafficking Centre was established only two and a half years ago and there are problems with it, but it is tackling its task and its staff are very committed. The hon. Gentleman and I were both impressed by the enthusiasm and commitment of the people working there. Most of them are police officers, of course, but some staff are from the Border Agency and there are a few outside people as well. It would clearly be a very big mistake to close down the structure that has been set up.

I have a few more things to say. First, the Inter-Parliamentary Union is holding a conference at the end of February so that parliamentarians from other countries can learn about this country's experience with trafficking. I think that our experience has been good and that we have done very well, but other Parliaments need to benefit from what we have done, just as we must benefit from what they are doing.

If I may say so, our all-party group on human trafficking will be doing a Billy Graham before the parliamentarians from other EU countries. We will be trying to excite their interest and involve them in the human trafficking debate. We want to learn from them, and we want them to learn from us.

New slavery is not a thing of the past. It is a thing of the present, and it is rampant across the world. We in the UK have a good story to tell and I hope that, by leading a campaign among IPU representatives and parliamentarians from every EU country, we will be able to make progress in tackling this appalling scourge. Wilberforce thought that he had solved it, but it exists now in a greater measure than it ever did in his day. I am going to speak to Spanish parliamentarians on Monday next, and I am going to Paris to speak to the French. It is a busy and important task, and I hope the Home Secretary and the Government will support the initiative.

Mr. Burrowes: I congratulate my hon. Friend on championing the cause for so many months and years. It is important that he has brought it to our attention. As well as raising its international profile, is it not important to bring it to the attention of local communities, such as in Enfield, where we set up our own commission to look at the information on whether human trafficking occurs in Enfield, as we know it does, and across our communities? As much as we need national and international co-operation, it is important to ground it in local information and action.

Mr. Steen: I am glad I had a minute to spare. That is a good point. There are initiatives throughout London and, I hope, in other parts of the country, where local people are going around trying to identify people who may have been trafficked. I have a confession to make. Croydon churches decided that they would do that. They went to the police, who said, "There are between six and eight brothels that we know about in Croydon, and we occasionally go and see whether there are any trafficked people there." The group of churches discovered that there were 60 brothels in Croydon, not just the six that were known about. It is a major problem—not just prostitution, but girls who are trafficked from other parts of the country and other parts of the world. I am delighted to learn that the problem is not confined to Croydon, but occurs in Enfield and north London.

4.46 pm

Ms Sally Keeble (Northampton, North) (Lab): It is a pleasure to follow the hon. Member for Totnes (Mr. Steen) and to have the opportunity to speak in the debate on the Loyal Address. The hon. Gentleman's work on trafficking has been very important. My constituency has been heavily affected by trafficked women and trafficked children, so the work that he has undertaken has been valuable.

I warmly congratulate my hon. Friend the Member for Glasgow, North-East (Mr. Bain). It was a pleasure to hear him speak and, at a time when there is so much cynicism about politics, to hear such a straightforward, idealistic and optimistic speech. I am sure his career in the House will be long and distinguished, and I offer him many congratulations on his speech.

There was some suggestion from the Opposition that the Queen's Speech was a waste of time and that we should be reforming Parliament or holding an election, but there is some important work to do. Some of the most important items relate to the home affairs brief and the Department for Work and Pensions portfolio, so I am particularly pleased to be able to speak in today's debate.

One of the topics on which I wish to speak is the mandatory code on alcohol sales, which will be the subject of secondary legislation due at the end of this year or the beginning of next year. I take the opportunity to encourage my hon. Friends on the Front Bench to make sure that the code is as robust as it can be. They should not take the view that because there is an election coming along nothing should be done about alcohol. Apart from being necessary, the measures to combat binge drinking chime well with the public mood. In my constituency they have been supported at public meetings and debates and in online surveys.

There are three aspects that concern people: labelling, in-store and happy hour-type promotions, and price controls. The controls on happy hour-type promotions partly affect price, but do not go far enough, particularly because they tend to affect pubs and clubs, whereas part of the mischief of excess drinking arises from off-licence and supermarket sales. It is important that, if we are to deal with the problems of pricing, we have measures that go across both the on trade and the off trade.

People say that all the problems can be solved by making drink more expensive, but it is also about preventing drinking from becoming even cheaper. In Northampton, some of the pubs and clubs discount their prices so that they can become student bars, and once they have the clientele the prices drift back up. A couple of years ago, the price of a drink in the student promotion was £1.50. Now, it is two drinks—a drink and a shot—for £1. That is 50p a drink. The clubs say that if they went right down to the base price that they pay for the alcohol—without factoring in the cost of staff, maintaining the premises, and so on—the cost could be as low as 24p a unit. If alcohol started to get even close to that price, the impact on health and on law and order would be absolutely catastrophic. Minimum pricing, which I believe a mandatory code should bring in, would set a floor under that kind of discounting.

[Ms Sally Keeble]

Exactly the same would apply in supermarkets. Everyone is familiar with the argument that supermarkets get people in to buy discounted alcohol, then cross-sell to other products. Effectively, the other products, and other drinkers, are having to subsidise the cost of very cheap alcohol. Sometimes, alcohol can be cheaper than water, which is complete nonsense.

A recent inquiry conducted by the Health Committee found that Tesco was not completely opposed to minimum pricing, and the World Health Organisation has stated:

"Increasing the price of alcoholic beverages is one of the most effective interventions to reduce harmful use of alcohol. Consumers, including heavy drinkers and young people, are sensitive to changes in the price of drinks."

It is the excessive drinking and binge drinking of heavy drinkers and young people in particular that is causing the greatest public concern.

Some careful work has also been done by Sheffield university and others on the impact of pricing on alcohol consumption. Concrete results from the Sheffield studies show that a minimum price of 40p per unit of alcohol would prevent 1,400 deaths a year and produce an estimated reduction of 41,000 hospital admissions and 16,000 incidents of crime a year. According to Alcohol Concern, a minimum price of 50p a unit would result in 3,393 fewer deaths and 45,800 fewer crimes a year, and a total saving of £7.4 billion over 10 years.

I would also like to spell out some of the support for introducing minimum pricing or, at least, tighter controls on alcohol prices. Not just the police, the chief medical officer and others in the health world and the National Association of Head Teachers think that it would be helpful. There is also significant support in the entertainment and drinks industries themselves. Recently, the head of this country's biggest chain of nightclubs, Luminar, accompanied me to see an hon. Friend in the Home Office. We talked about the importance of providing a floor for alcohol prices to secure a more realistic base for the entertainment industry and reach a position where people choose their nightclubs based on the quality of the venue, not because they are engaged in a "how low can you go" competition in the price of drinks on offer.

I hope that when the mandatory code is introduced towards the end of the year, it will not only deal in very strict order with information and education, but have real teeth on pricing and, in particular, look at introducing minimum pricing to combat what has been a social menace. The issue was first raised with me by constituents concerned about the impact of antisocial behaviour by young people drinking on the Moulton Leys estate.

The second measure that I am really pleased to be able to discuss is the Child Poverty Bill, which has been carried over so that it can complete its parliamentary stages. I hope that all parties will support it not just with warm, fluffy words, but by giving real teeth to the regulations and secondary legislation that will be introduced in the new year. They will set out how our local authorities implement those measures and ensure that they tackle child poverty in their areas. However, I shall table some amendments to the Bill to strengthen its safeguards for poor families in housing, because, although the legislation already contains such proposals, they are not strong enough.

I hope also that the legislation from the Department for Work and Pensions will include some real opportunities to provide more support for parents' flexible working. I recently undertook some research in my constituency into the impact of the recession on families in Northampton, and, with information from the Equality and Human Rights Commission, it clearly shows that as a result of the recession more women are becoming the breadwinners. They say that they are the breadwinners and take primary responsibility for the financial well-being of the family, and that their partners are taking more responsibility for child care. In those circumstances, it is important that we extend flexible working arrangements to men, if appropriate, so that they can take even more responsibility for their children, and women can pursue their careers and increase their income for the benefit of their families.

One legacy of the recession will be changed family structures, roles and responsibilities, and I hope that my right hon. and hon. Friends on the Front Bench will ensure that their proposals meet those challenges, so that families can build a more secure future.

4.59 pm

Mr. David Burrowes (Enfield, Southgate) (Con): It is a pleasure to follow the hon. Member for Northampton, North (Ms Keeble), who was quite right to focus on alcohol and the need for action on the problem. Indeed, there has not been such action in the past 12 years. The hon. Lady makes a good case for minimum pricing, and it must be looked at carefully.

We have a Scottish experiment on minimum pricing. The hon. Member for Glasgow, North-East (Mr. Bain), whom I, too, commend on his maiden speech, referred to the Scottish experiment with Conservative Members of Parliament, and now we have an experiment with minimum pricing, so we will see whether it is a success. This is an important issue on which we must all reflect, but I commend to the Government the Conservative proposals for targeted tax increases on problem drinks such as alcopops and super-strength lagers. We need to take proper, targeted action in relation to the prevalence of alcohol and the menace that it causes in our communities. That reflects the fact that we have not achieved that yet, by any means.

As ever in our home affairs debates, I declare an interest as a just-about-practising criminal solicitor with a keen interest in yet another crime Bill. Reference has been made to whether there have been 28 or nearly 50 crime and justice Bills under this Government. It reminds me of childhood songs that my children now sing. They repeatedly sing the second verse of the same song a little bit louder and a little bit worse, and so it goes on. One feels that about the Government's repeated Home Office and Ministry of Justice legislation. I worry that we are just getting more of the same and more that is worse. The latest Bill has similar characteristics to all those that have gone before. In the theme of the season, we have a Christmas tree Bill. I fear that the members of the Public Bill Committee that considers it will see ever more amendments hanging off it as desperate attempts are made to introduce measures to plug the gaps, whether in relation to antisocial behaviour, crime or security.

The other characteristic of such home affairs legislation is that the Government are dealing with a problem of their own making. In the case of the DNA database, for example, the Government are trying to catch up with

court judgments and the values of our country. We have heard about mission creep and the over-involvement of innocent people, and the Government's use of secondary legislation has meant that we have not had the opportunity to debate the issue during consideration of primary legislation. A welcome aspect of the Bill is that we will have the opportunity to debate the important principles that have been under attack from this Government and the need to ensure that we have a proper balance between security and liberty.

The Bill fails to deal with issues of repeal. In our desire to have new pieces of legislation to deal with issues of crime and justice, we must recognise the need to repeal elements of what has gone before. It is a shame that the Government do not recognise the extent of their mistakes. They would do well to look at previous legislation and to implement it—and enforce it—better. We need only look at the Criminal Justice Act 2003, a large proportion of which is not yet implemented. Parts of that Act, like many others that have gone before, are now largely discredited—for example its provisions on automatic release, particularly as they apply to people with short-term sentences. An example was recently reported in Essex of a person with a short sentence who was released automatically. Partly because of home detention curfews and their having been sentenced on a Friday, they were given the grant for their release and turned out. It is unacceptable that automatic release happens without any conditions in relation to the person's behaviour while in prison.

I want to focus briefly on what is and is not in the Bill. It gives welcome attention to the whole area of domestic violence, particularly against women. That is a significant problem in all our communities. A particularly pernicious problem is that of repeat victimisation. That needs to be tackled in several ways, whether through enforcement—we must look carefully at those provisions in the Bill—or, as has been mooted today, through education and prevention. Many victims experience the problem of going to report an incident and facing up to seeking help. We need to recognise the role of the voluntary sector, not least in areas such as mine. There is a particular issue in relation to domestic violence in the Asian community. Organisations such as Naree Shakti—it means "women's strength"—play a role in that. The point of that organisation is to provide women with the strength to come forward and receive the ongoing support that the voluntary sector is so good at giving. We need to consider in the round how we can best tackle the problem.

The Government wish to focus on education about domestic violence prevention, but wider matters have to be brought into sharp relief, such as the important part that drugs and alcohol sadly play in domestic violence. When one considers that, one sees the lack of funding and direction in our prevention programme. The Government and the Home Office pay all too little attention to the matter, and that needs to change. Perhaps in some ways we should not be surprised, because the Home Office's drugs strategy has led us down that path. It is less about prevention, enforcement and recovery and more about harm reduction, which has meant that the Government's focus has been on managing the problem rather than getting to the root causes of it and seeking to tackle it. We have seen the outcomes of that approach.

Today, the Home Secretary seemed remarkably complacent about the problem of drugs in this country. Drug deaths continue to rise—they are the highest in Europe—and the cost of drug abuse, through crime and health services, has been more than £100 billion since 1998. It is important that we deal with the situation, because it is not just a crime and justice problem, but a problem for health and the wider community.

We should not get away from the fact that the prevalence and usage of drugs has got worse. The age of initiation has come down, and we need to do more to tackle the fact that the UK is the worst in Europe for drug use. We need proper and effective treatment, but let us look at the outcome of the admittedly large amount that has gone into it. In the past year, of the 202,666 problematic drug users in treatment, how many had completed programmes to the point of becoming drug-free? Just 8,980. That is unacceptable, given the investment, and we must consider why it is the case. One problem is the Government's focus on managing the problem rather than seriously tackling it, and another is the fact that between January 2008 and this October, 20 residential rehabilitation centres closed.

The situation is bleaker when we consider prisons. There has been a 64 per cent. increase in methadone prescribing, and few drug-free referrals are taking place. That is unacceptable and needs to change. The UK is becoming the easiest and cheapest place to get drugs, whether on the streets of Enfield in my constituency or on a wing of Pentonville or other prisons. We need to move away from simply providing treatment and towards management and recovery. We need to get away from the bureaucratic commissioning process that has led to just 3 per cent. of problematic drug users becoming drug-free. We also need to reform how we deal with criminal justice interventions, which are still leading to too much reoffending and too many damaged lives. We need to examine drug and alcohol problems and polydrug use in the round and realise that the evidence of the Home Office itself points to therapeutic communities as a way forward.

Another matter that the Government did not touch on in the Queen's Speech was extradition, and particularly how it affects my constituent Gary McKinnon. It is welcome that the Home Secretary is considering the new medical evidence, which is compelling and significant. It deals not just with the risk of my constituent's health being affected by extradition to the United States, trial and detention, but with the fact that he has significant mental health problems aligned with his Asperger's syndrome. It is important that the Government and the Home Secretary take proper account of that evidence. I pay tribute to the Select Committee on Home Affairs for its work on the matter under the leadership of the right hon. Member for Leicester, East (Keith Vaz).

It is important that the Home Secretary does not hide behind the previous court judgment. He needs to realise that he cannot simply ignore the fact that a prosecution could take place in-country, and he cannot simply say that the bar is far too high for the case to attract his discretion because of human rights concerns. We all recognise that extradition arrangements need to be in place to fight global crime and ensure that we are not a safe haven for criminals, but Gary McKinnon does not fall into that bracket. He is a vulnerable man who hacked into computers and is now at significant risk.

[Mr. David Burrowes]

His life is at risk, and in a recent case in the High Court, Lord Justice Stanley Burnton recognised that if extradition did not take place, Gary McKinnon could be prosecuted here.

We also need to recognise the important principle of proportionality. That needs to be balanced to ensure that the mental health concerns that are now prevalent are taken properly into account. There is no assurance of bail and repatriation. Holland and Israel were able to reach an agreement on the matter, but this country has not, which has done a disservice to British citizens. We need to review the extradition treaty—and a new Government to do that—but with Gary McKinnon, who is a victim of an unbalanced process, we need to recognise that the medical reports give ample grounds to ensure that human rights can be played in his interests, as they need to be. He needs to stay in this country.

Finally, reference has been made to victims. Victims may get some new legislation, but fundamentally, we need criminal justice reform, which will have to wait for a new Government.

5.11 pm

Phil Wilson (Sedgefield) (Lab): I welcome the measures in the Gracious Speech because they will be good for Britain, the north-east of England and Sedgefield. I believe that they build on the successes of the Government over the past 12 years. This Government's record is built on proud achievements. When faced with an international crisis, they have stepped up to the plate and delivered.

When I survey my constituency and see how it is coping with the global challenges that I see around us, I see that unemployment has risen since 2008, but that is still half what it was in the mid-1980s. I ask myself why. Is it because the recession is being left to run its course, or because smart government, not dogma, is getting us through it? In Sedgefield, about 19,000 pensioners receive the winter fuel allowance and 9,500 people receive tax credits. Is that because of an act of charity, or is it because of smart government acting on behalf of our society to look after the most vulnerable in it? In 1997 in County Durham, one in four young people who left school did so without a qualification; today the figure is just over one in 10, and beneath the national average. Is that a result of a whip-round by parents to buy extra books and pencils, or is it because of investment in children, schools and teachers, because this Government know that our children need to be properly equipped for the 21st century? An international survey of 10,000 health practitioners says that the NHS provides the best primary health care in the world. Is that a result of charity, or is it because of public investment in thousands more doctors and nurses by a Government who created the NHS and who believe that health care should be free at the point of need—a principle that is deep in the DNA of the Labour party and the Labour Government?

The answer to all those questions is obviously smart government—this Government, who are guided by the principles of compassion, solidarity and an understanding that the wealth the economy creates is there for the many, not just the few.

When I hear accusations of a broken society, I think back to the 18 years immediately before 1997. When we look at unemployment, it is only right that we remind ourselves of those times. Today, there are more than 2.5 million more people in work than in 1997, and about 1.5 million people on jobseeker's allowance. In the 1980s, more than 3 million people were claiming the equivalent benefit. Of those, 40 per cent. had been on the dole for 12 months and more.

Youth unemployment is a worry to us all, but of 943,000 unemployed, more than 250,000 are full-time students. If we take those out, the unemployment rate for under-25s is just over 9 per cent. In the 1980s, it was 13 per cent., and in the 1990s, it was 12 per cent. Today, because of smart government, 70 per cent. of JSA recipients are back in work within six months.

How can people say that we live in a broken society when the murder rate is at its lowest for the past 20 years, and when overall crime is down by 39 per cent. and violent crime by 41 per cent? How can we be in a broken society when more than 70 per cent. of adults volunteer at least once a year, and when three quarters of all 13 to 19-year-olds take part in sports or clubs or volunteer? A broken society is mentioned only by those who do not care about public services because they do not need to use them, and who say that charity is the answer because they know they will never need it.

Charities have a role, but they can never be a substitute for smart government. Smart government gives millions of British people a fair deal. That is the responsibility of an elected Government; they must speak up for the needs of society and not outsource them. I always find that people who want to get the Government off their backs are usually those who think they can afford to be without the Government. They want to see less government and less regulation. But they are the first to come to the taxpayer if their business is going under or their bank has failed and wring their hands because regulation was after all too lax. Smart government says that the public and private sectors should work together, and that the people should always come first.

There is of course an alternative. It is an alternative that says that instead of Building Schools for the Future, parents or a charity can rent an office block to set up a school. It is the alternative that says that 18 months for an operation is not too long to wait. It is the alternative that says it is the role of financial markets to make money out of other people's misery. It is the alternative that puts Britain on the fringes of Europe because it ignores the fact that 60 per cent. of our trade is with Europe and 3 million jobs depend on it. It is the world of little Britain, not Great Britain. It is the alternative that breaks cast-iron guarantees while the party that represents that alternative is still in opposition, where long may it remain. It is an alternative of a party whose shadow Chancellor, the hon. Member for Tatton (Mr. Osborne) bizarrely says that it would be on the side of the NHS, when actually it is the party of a past in which patients waited six months for an appointment and two years for an operation. It is an alternative that thinks that the NHS is a mistake 60 years in the making. It is an alternative that will use the means test in reverse by saying to pensioners that they can have social care as long as they can put £8,000 up front. It is the alternative of a party whose leader said in his conference speech that "it falls to the modern Conservative Party to fight for the poorest". On hearing the right hon. Member for Witney (Mr. Cameron) say that on the television, I immediately changed over to the weather channel to see whether hell had indeed frozen over, because that will be the day that I will believe that statement.

The Opposition are no longer just the Conservatives apparently: they are now progressive Conservatives. But how can they be progressive and conservative at the same time? I checked the "Oxford English Dictionary" to get a definition for both words. It defined progressive as "favouring change and innovation". For conservative, it said, "averse to change or innovation." So there we have it—a political philosophy that is a contradiction in terms, schizophrenic, Jekyll and Hyde, pulling one way then another, pointing in two directions at the same time, and just plain wrong.

We know the Opposition: we met them on the street corner of the communities they closed down in the 1980s. We saw them turn their backs as child poverty soared under them. We heard them when they said that unemployment was a price worth paying. What they say and do are two different things—just look at their commitments and compare them with those of the Government. The first alternative policy they have to smart government is to reduce inheritance tax and give a £200,000 tax cut to each of the 3,000 richest estates. They will cut payments for people on incapacity benefit without investing in the measures needed to find them work. The Opposition put thousands of people on benefit when they were in power in the 1980s and 1990s, and a generation was lost. It was left to this Government to pick up the pieces, as we have been doing.

The hon. Member for Tatton keeps saying that we are all in this together, but he wants people on modest incomes to take a pay freeze and work longer. It is easy to say that we are all in this together when you are a millionaire, can retire when you want to and do not have to worry about paying the bills. The Government have introduced a 50 per cent. tax rate for those earning more than £150,000 a year, because we do believe that we are all in this together.

The right hon. Member for Witney blames "big government". In my view, it is just as well that our Government were big enough and smart enough to take the decisions to save the economy from total collapse. It is just as well that our Government are big enough and smart enough to fund 100,000 jobs for young people; help 300,000 families with their mortgages; and sign 200,000 agreements with businesses allowing them more time to pay their tax bills and keep people in work.

The Opposition now claim that community is in their DNA. Well, it was not in their DNA when they were last in government, when real, long-term mass unemployment was evident on every street corner and plagued our communities. If community was not in their DNA then, it cannot be in their DNA now. Their DNA has done nothing but mutate into a split personality, saying one thing and doing another. But we know the truth. We are mending the broken society that they left behind. We know because we took the tough decisions that they opposed on the economy. We know the truth because Labour has built more than 100 new hospitals. There are hundreds of new or refurbished schools. In the north-east, deaths by heart disease have fallen by 58 per cent., and cancer deaths by 28 per cent. We still have much to do, but Labour's intent is clear: we are on the side of the people. The truth is that we created the NHS, but the Tories voted against it; we introduced the minimum wage, but the Tories voted against it; we created Sure Start, but the Tories voted against it; we stand for the many, but the Tories will stand by the few; we stand for fairness, but they will stand by the privileged. That is the choice that we face.

I am optimistic about the future. We need a Government who are smart and big in character to face up to the future—and they are this Government. There are challenges ahead. If ever there was proof that we live in a globalised world, it was the turmoil in the global economy over the past year. People who live in the villages and towns in my constituency need to know that we will look after them in the future; that the benefits of a globalised economy will not pass them by; that the people who run the global economy and financial markets do not remain faceless gamblers and that what they get up to is transparent and accountable, and not socially useless; and that the major economies act in unison through the G20 and, if necessary, a Tobin tax is introduced to dampen down the casino economy and to provide a safe and stable world of savings and investment for ordinary people.

As I look at the register of donors to the Conservative party, I see bankers, hedge fund managers, tycoons such as Lord Ashcroft and people who believe in a casino economy and who got us into this mess in the first place. I guess that they will vote for the Conservative party, because it represents their interests. That is another reason why I know that the Labour party will win the next election.

5.21 pm

John Mason (Glasgow, East) (SNP): I congratulate my neighbouring colleague, the hon. Member for Glasgow, North-East (Mr. Bain), on an excellent maiden speech. I hope that he will be available to his constituents and take on some of the casework that I have been covering in recent months—I had to survive only three weeks of a campaign, but he had four or five months, which is extraordinary. He mentioned several important issues on which I hope he will press the Government, because there might be slight differences between him and his Front-Bench colleagues. For example, perhaps it is time that we saw an increase in the minimum wage. He suggested that a fiscal stimulus would help unemployment, whereas, I believe, his Front-Bench colleagues are planning cuts.

I will concentrate on the proposal to abolish attendance allowance and disability living allowance for over-65s, which would affect 2.4 million vulnerable pensioners—1.6 million claiming attendance allowance and 800,000 living on DLA. We have received various reassurances from Ministers suggesting that people will receive similar services, rather than money. On Thursday, the Health Secretary said that

"people will be guaranteed an equivalent level of support".—[*Official Report*, 19 November 2009; Vol. 501, c. 241.]

"Equivalent level of support" could mean cash, home help or similar support in kind, and people are asking, "Which is it?" It is not good enough. That phrase is worrying a lot of people and I hope that we will receive some clarification. Clearly, the same money cannot be in two places at the same time, so increasing services in one area will mean cuts in payments in another area, and presumably the people who lose attendance allowance will not necessarily be the people who receive the new services.

[John Mason]

Attendance allowance and DLA do a lot of good. I shall quote from a briefing that I received from the Scottish Association for Mental Health. It provides several examples of how DLA and attendance allowance can be used to good effect, but we are short of time, so I shall limit how much I quote. It states:

"Disability benefits and free personal care enable older people in Scotland to remain independent in the community, providing older people with a personal budget to help with their care and support needs. This could include covering the costs of a friend or family member coming to the home in the morning to help the person get out of bed, prepare meals or do shopping and cleaning. Any changes to disability benefits could affect the provision of this care and support and result in an older person needing more costly forms of social care in the home or lead to a person moving into residential care if they were not able to manage their household."

SAMH gives similar examples:

"Changes could increase the pressures on informal carers which could limit the opportunities of carers being able to work and therefore lead to them not contributing through the income tax system."

The fear is of a lose-lose situation.

The other concern is that I thought that we were aiming to support direct payments. In fact, the Welfare Reform Act 2009, which went through Committee only recently and which I was involved with, made some good statements in that direction. For example, clause 30 of the then Bill said:

"The purpose of this Part is to enable disabled people aged 18 or over to exercise greater choice in relation to, and greater control over, the way in which relevant services...are provided to or for them".

The idea is to move to giving people more control over their services, but if we abolish attendance allowance, it appears that there will be less control.

What will happen to the money if DLA and attendance allowance are abolished for Scotland and Wales? Will it be handed over as a lump sum? If so, will the amount be based on need or on the Barnett formula of population? Will it be open to the devolved Governments to continue with attendance allowance in Scotland and Wales, even if they do not continue in England? Perhaps we could also have some clarification about whether only new claimants are affected, or will some of the current recipients lose benefits? There seems to be a lot of uncertainty about that, too. Can we have a clear statement from the Minister? I do not think that disabled pensioners and their carers should have to wait for clarification on that key issue.

There is also the potential for an impact on carer's allowance, which is extremely low at the moment, at £53.10. However, what happens if carer's allowance is paid to someone who looks after a person receiving attendance allowance and attendance allowance is abolished? It seems bizarre to me that the party planning to cut benefits is the Labour party. That is the kind of thing that I would have expected from the Tories, who seem to be the ones trying to protect those benefits, although I do not entirely trust their version of events. That is a reverse from my younger days, perhaps 30 years ago, when Labour was to the left of the Tories. Many of my constituents now tell me that they cannot tell the difference. I fear that parts of the electorate still think that Labour is the party that will protect the poor and downtrodden, but when I hear things such as what I have described, it makes me wonder.

Clearly there are overlaps between work and pensions and other aspects of the Queen's Speech, such as health. Another example is the minimum wage. If the Government are strapped for cash, why are we subsidising profitable employers to pay below a living wage? Tax credits are a good thing, because they boost the income of low earners. I certainly welcome that, but the Government's policies effectively mean that we are encouraging some employers to pay a wage that people cannot live on. I consider that to be immoral. If we are looking at benefits and encouraging people into work, part of the equation has to be increasing the minimum wage.

Let me briefly discuss one or two other areas of concern that have been mentioned today. We certainly welcome the Child Poverty Bill. There has been a lot of support for the Bill from across the House, but there is concern that we will not be even halfway there by 2010-11. The Home Secretary said in opening this debate that he hoped to be there, but I do not think that he was widely believed. There are apparently no resources coming in to support the intention to abolish child poverty by 2020. The hon. Member for Northampton North (Ms Keeble) said that there would be "real teeth" in the Bill, but I have seen no sign of teeth whatever. Indeed, I would like to see what those "real teeth" might be, and that is without mentioning the fact that taking child poverty down to only 10 per cent. is hardly abolishing it.

I do not want to spend much time on immigration, but it has been mentioned once or twice. There are just a couple of points that I would like to make, the first of which is about bogus colleges. We need action on that issue, on which there is agreement across the House. The colleges in my area, including John Wheatley college, which covers an area that I share with the hon. Member for Glasgow, North-East, are concerned about the issue, as I know Scottish colleges will be in future.

At the same time, while there is concern about people coming in in an uncontrolled manner, my experience is that the Border Agency can be extremely strict with a lot of people. As I have mentioned before, a pipe band from Pakistan was refused entry and I know that a number of people from north America who had been well funded to work with the homeless in Glasgow, for example, or who had come to speak at a Christian conference have been sent right back from the airport. Yes, we need border controls, but there also needs to be flexibility. I echo the point made previously that Scotland's population is such that we would welcome more people coming in and boosting our economy.

The final area I want to touch on briefly is the Calman commission, which I believe is an omission from the Queen's Speech. Whether it was there in the original version or not is a matter for debate, but the reality is that there is no firm commitment by the Government to take forward the Calman commission's proposals, despite the fact that many of them could very easily be brought into being. Sir Kenneth Calman himself said of his report:

"I think there are a lot of bits, as I mentioned, which I think can be implemented quickly and easily without too much fuss, others will take a bit of time to think through."

I appeal to the Government, where there is agreement across the board, not to leave matters until after the election, which will only cause delay. Let us act sooner rather than later.

The drink-driving limit is one example. Clearly, there is an alcohol problem in Glasgow and the west of Scotland and I know that it exists south of the border as well. Minimum pricing has been mentioned, which we certainly welcome and encourage for Scotland. I hope that the hon. Lady and others who have spoken in support of this measure will speak to their colleagues in Scotland and encourage them to support it, too. If Northern Ireland can have separate limits for drink-driving, surely it would be helpful if we moved quickly so that Scotland can take a lead, as I argued earlier that it has on other issues.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. The time limit on speeches will be reduced from now onwards to 10 minutes.

5.32 pm

Mr. Stephen Hepburn (Jarrow) (Lab): I congratulate my new hon. Friend the Member for Glasgow, North-East (Mr. Bain), who has unfortunately had to leave, having been in the Chamber all afternoon waiting patiently for his turn, as we all have. He made an excellent maiden speech—one of the best I have ever heard. Many people were in their places to hear it and a great deal of interest was created, which bodes well for a great future.

The right hon. Member for Saffron Walden (Sir Alan Haselhurst), who was in the Chair at the time, was listening avidly, as I was, for mention of my hon. Friend's sporting interests. Mr. Deputy Speaker was particularly interested in hearing about cricket, to see whether my hon. Friend would be attracted by the Commons cricket club, which the right hon. Gentleman runs, while I was waiting to hear whether he said anything about football so that I could involve him as a Glaswegian in the parliamentary football club.

I was reminded that next Tuesday the parliamentary football team, which has many distinguished Members from both sides of the House, is playing its annual fixture against the chefs of the House. The great Glaswegian player Kenny Dalglish is coming along. I had a word in my hon. Friend's ear, but I was most disappointed when he turned around and said, "I don't play football too well." The Labour party had better sort out its selection practices if we are not getting decent sportsmen into the Commons to fill our teams to play against other teams for charity.

I also pay tribute to my hon. Friend the Member for Sedgefield (Phil Wilson), who summed up why people should vote Labour at the next general election. He summed up what we have done over the years and exactly how this most gracious Queen's Speech will build on that. I was most impressed with my hon. Friend's speech. He went through so much that it made me wonder which constituency—not in the geographical sense, but in the sense of a group of people—would be voting for the Opposition at the next election. He mentioned pensioners and I wondered whether they would want to throw away the winter fuel allowance, the help with their TV licences and their bus passes. I do not think so. Pensioners are far too wise; they have been through the Tory period and seen what the Tories have done.

One Opposition Member said today that we keep going on about the past—we like to remind people once or twice—whereas the Opposition want to talk about the future. However, people cannot be told to look into the crystal ball when they have already read the book and know what the Opposition have been up to.

Among local government workers, who will vote for the Opposition? All the secondary schools in this country are being rebuilt. In contrast, let us look at the state of the schools before this Government came into office—the size of the classrooms, the state of the equipment. Now look at the excellent work going on. Which parent who remembers going to school during the 18 years of Tory Government will turn round and say, "Oh, no, I don't like all these changes. It's too extravagant for me. I want to go back to having a leaky roof. I don't want a computer, I just want to go and write on a bit of paper." They will never do that in a million years.

I admit that the Government have disappointed me in one area of social policy: antisocial behaviour. They have not gone as far as I would have liked. We all have antisocial behaviour in our communities, and we are trying hard to stop that blight. However, if we ask people in working-class communities such as Jarrow, Tyneside, Teesside, Durham and other parts of the country why we have that blight, they will say that it goes back to the past.

In the past, when those young kids who had a bit of cheek—we all remember the cheeky one in our classrooms—and the tough lads left school at 16, they went into the pits, shipyards and steelworks. They were not condemned to a lifetime on the dole, of nothing. They were not thrown out and told, "You're not wanted, you're nothing." They were taken in. On their first day in the workplace, they were put under adult supervision—the supervision of people who were respected in their own communities and who looked after their communities. Yes, they policed their own communities. They were a great hand to the police, because when young kids knocked around the corner, somebody would tell their father in work, and he would speak to someone else in work. Those kids would not be around the next week; they would be out doing something better, or they would be in the house.

We have not done as much as we could have on antisocial behaviour, social problems and crime in this country, but people in communities such as mine still refer all those problems back to the dreadful 18 years when they were cast out to despair.

The Gracious Speech rightly says that the Government are committed to giving everyone a chance and giving everyone fairness, and that more measures will be brought forward to complement those in the Gracious Speech. I want to raise one issue that is immensely important to workers of today, pensioners of today, and pensioners of tomorrow: pleural plaques. As the Minister knows, many of us have campaigned for a substantial period of time to get the dreadful decision of the Law Lords overturned, to ensure that pleural plaques sufferers, both now and in the future, have the rightful compensation that they enjoyed for so long.

Members on both sides of the House know that justice takes persistence and time, and requires us to break down the opposition of vested interests and other objections. Battling bureaucracies, building alliances and lobbying Ministers is part of the job of MPs, no

[Mr. Stephen Hepburn]

matter which side they sit on. We have all taken up causes on behalf of constituents or groups of people. Our job is about representing ordinary people whose voice would otherwise not be heard. That is why it is so important to raise the issue of pleural plaques sufferers in today's debate. I make no apology for continuing to campaign, along with other Members, and continuing to try to overturn that disgraceful and unjust decision by the Law Lords to bar this terrible illness from classification as a designated illness for compensation purposes.

Pleural plaques are a scarring of the lung tissue. They are caused mainly by negligent exposure to asbestos in the workplace. Although it is mostly the worker himself who has developed the condition as a result of exposure to asbestos, his family may have developed it as well. When the worker took his work clothes home and hung them up, the baby in the cot or the older son who had come home from school and was doing his homework may have breathed in the bits of fibre on the overalls. It is well known that a substantial number of such people, who are now grown up, have pleural plaques merely because of exposure of that kind. Moreover, it is estimated that pleural plaques sufferers are 1,000 times more likely than any other section of society to develop a more serious form of asbestos-related cancer.

For over 20 years, the courts recognised that this was a compensatable illness. Everyone accepted that, and the insurers and the Government put money aside, until this dreadful decision by the Law Lords. One of the sorriest aspects of the case was that the Law Lords agreed with the lawyers who said that pleural plaques did not constitute a compensatable injury and did not cause any sort of depression or illness.

Mr. Deputy Speaker (Sir Michael Lord): Order. I am afraid that the hon. Gentleman has had his 10 minutes.

5.42 pm

David T.C. Davies (Monmouth) (Con): The hon. Member for Jarrow (Mr. Hepburn) was making some very interesting points towards the end of his speech. It is a shame that they were overshadowed by the rather silly ones with which he began. He started off with a bit of a history lesson. "Take me back 18 years," he said. I will take him back 18 years, to the winter of discontent—to the last time Labour had been in power for a number of years. Just like the current Labour Government, they left the country socially and economically on the brink of utter bankruptcy.

I should be happy to take the hon. Gentleman even further back, to when Harold Wilson devalued our pound by 15 or 20 per cent. but told people that "the pound in their pocket" was worth the same as before. Or we could go back 40 or 50 years, to Clement Attlee building his new Jerusalem on the back of American war loans. I can go back as far in history as the hon. Gentleman likes, but I will find that history always teaches us the same thing: that Labour Governments always end in financial disaster, and that a Conservative Government are required to put things right once again.

Earlier, we heard the Home Secretary talk of statistics and quote the British crime survey. The BCS is nothing more than an opinion poll, and a very inaccurate one at that. It does not include crimes committed by people under the age of 16, and it certainly does not include the hospital statistics—which, surprisingly, were referred to by a member of the Liberal Democrat Front Bench. Those statistics clearly show that a large number of very violent crimes—knife crimes—are going unreported because people are too scared or unwilling to go to the police.

We do not need to open our newspapers and see a former Home Secretary cavorting around the streets of London in a bullet-proof vest to know that crime is out of control. We do not need to observe, day after day, the toll of young people being knifed and gunned down on our streets to know that something is wrong. The British people have enough common sense.

If the hon. Member for Jarrow wants to know who will vote for the Conservative party at the next general election, I can tell him that it will be all those who are concerned about crime. It will be all those who think that we need less political correctness in the police force—fewer people telling police officers, as they have in one part of the country, that they should not say "Good morning" or "Good afternoon" because it might be construed as being racist. Yes, that is really happening, as can be seen from last week's issue of *Jane's Police Review*.

We need people to stand up and say, as Conservative Members have, that it is utterly wrong that people are released from prison halfway through their sentences, or, more usually, before they have even reached the halfway point—regardless of what crimes they may have committed, and regardless of whether they have shown any signs of wanting to behave better in prison than they did on the outside. I say to Liberal Democrat Members that prison is working, prison is effective and prison is cheap. I could show that using the Government's own statistics. It is far cheaper to keep somebody in prison than have them running around on the streets committing one crime after another, and it is far better for the victims of crime, too.

Steve Webb (Northavon) (LD): The hon. Gentleman intervened on a colleague of mine earlier, who pointed out that 92 per cent. of young male first-time offenders reoffend. Is that success?

David T.C. Davies: The hon. Gentleman ought to know that before any young offender goes to prison, they are given numerous warnings and reprimands, and they are given one community sentence after another. They go to prison only because all those interventions have failed, and failed miserably. *[Interruption.]* Well, prison does not fail, in fact, because prison keeps them off the streets after they have been given a dozen chances, and means that the law-abiding public are kept safe.

I hope that the next Government—of whichever party—will consider getting rid of the Human Rights Act 1998 and replacing it with something that protects the law-abiding public of this country, because it is disgraceful that drug addicts going into prison can now sue the prison authorities because they have to go through cold turkey as they cannot get their heroin, and that other drug addicts who develop their habit in prison sue the prison authorities because they have become hooked inside. It is also disgraceful that Muslim schoolgirls who do not like the school uniform can take their school to court and get

given hundreds of thousands of pounds of taxpayers' money, and that members of the Taliban and al-Qaeda—there are seven al-Qaeda members on the United Nations list living openly in this country on benefits—are told that they can stay here because otherwise their human rights would be breached. It is disgraceful, too, that a rapist from Sierra Leone was told he could not be deported back to Sierra Leone, despite the fact that he had committed numerous offences against women, because that might breach his rights to a family life. That is what the Human Rights Act, that this Government passed, has done for us. We should tear it up and replace it with something that will protect the general public.

David Taylor (North-West Leicestershire) (Lab/Co-op): I cannot be the only Member who finds it rather spooky that as soon as political correctness is mentioned, as if by magic the hon. Member for Shipley (Philip Davies) appears in the doorway and enters the Chamber.

I want, however, to ask the hon. Member for Monmouth (David T.C. Davies) if he was saying he would abandon the concept of remission for prison sentences, and if so, how he would handle the bad behaviour that would result if there was no longer the incentive of remission.

David T.C. Davies: I am more than happy to discuss that when time permits, as I have many views on prisons, but I want to mention immigration now, as so many among our political classes are afraid to do so.

Our failure to mention immigration has led to extremist parties—I do not call them far-right parties because they are, in fact, socialist parties—gaining seats in Parliaments in other places. That has happened because we have been scared to stand up and say what all our constituents are saying to us, which is, very simply, that people who come to this country should learn English and be expected to work and to fit in with our rules, culture and traditions.

We should not be changing the law to suit other people. It is absolutely wrong that we changed our benefits rules to recognise polygamy. It is wrong, too, that we turned a blind eye to forced marriage and female genital mutilation. A Member spoke about this earlier, and praised the Government for the law that was passed in 2003. I was not a Member then, but I can imagine the scene: 600 Members of Parliament, probably all wearing white ribbons, getting up and saying female genital mutilation is wrong and we must do something about it. Since then, however, absolutely nothing has been done about it. At great expense, the Metropolitan police set up some sort of taskforce. I asked two years ago how many people it had investigated and how many it had actually convicted. Answer came there none. Eventually, the matter had to go to the Information Commissioner, and I finally got back the weasel answer that just one person in five or six years had been investigated and no prosecutions had been brought.

The situation is the same in respect of forced marriage. We know from talking to local authorities that hundreds of girls under the age of 16 are disappearing from school rolls. We suspect they are being taken back to parts of south-east Asia and forced into marriage, but very little is done about it. A tiny work force based at the Foreign Office—the forced marriage unit—are looking into this: a handful of people trying to deal with thousands of cases. I believe that the real reason why so little is done is because the Government are afraid of upsetting the community leaders in certain minority groups. For all the Government's talk about equal rights and standing up for women and minorities, they are not really interested in any of it; they are interested only in getting votes.

This is why we should be talking about immigration and about the bogus colleges. If the Home Secretary, who is no longer in his place, wants to find out where all the bogus colleges are, all he has to do—I have pointed this out to him before—is look at all the colleges that are offering courses other than in the English language and which have more than 50 per cent. of their make-up comprising foreign nationals. That is an almost certain indicator of a bogus college. I have pointed out other benefit scams to Ministers on previous occasions, but they have no interest in going in there to sort any of these matters out.

For 12 or 13 years now, we have put up with this Government of political correctness. In April, we will have another chance: the people—the law-abiding, tax-paying voters of this country—will have a chance to boot out the Government of politically correct policies and elect people who believe in common sense, fair play and delivering value for money. I look forward to that day coming soon.

Several hon. Members *rose—*

Mr. Deputy Speaker: I call Dr. Phyllis Starkey.

5.51 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): I think that you have a certain sense of humour, Mr. Deputy Speaker, in asking to me to follow the hon. Member for Monmouth (David T.C. Davies). Unsurprisingly, I am not sure that he and I share the same culture or values. I certainly do not share his astonishing assertions about the Human Rights Act 1998, which simply betray his lack of understanding of the way in which it incorporated within UK law a convention that was signed long ago and to which I hope every civilised Government throughout the world would adhere. However, I am grateful to him for demonstrating what the Conservative party is really like; had the right hon. Member for Witney (Mr. Cameron) been in the Chamber, I imagine that he would have been blushing even redder than he was at Prime Minister's questions at the way in which his veneer of compassionate conservatism was being dragged aside so that we could see the real face of the Tory party. I hope and imagine that the voters will not be as deceived as the right hon. Gentleman perhaps wishes them to be.

The issue that I wish to discuss is addressed in the Crime and Security Bill and is of enormous concern to my constituents. I am talking about wheel-clamping and the proposals to get to grips, finally, with the cowboy wheel clampers who operate on private land. This issue—the control of the private security industry—was one of the first campaigns that I took up when I got elected to this place. I was trying to campaign for the licensing of door supervisors—more popularly known as "bouncers". At the time, they were licensed separately by local authorities and there was no national scheme. I am pleased that this Government did eventually introduce the Security Industry Authority, which has licensed many aspects of the private security industry, including door supervisors. That has brought a degree of order to

[Dr. Phyllis Starkey]

the industry, and has vastly improved protection for members of the public and standards across the industry. However, one aspect remains unregulated and that is wheel-clamping on private land.

Obviously, owners of private land have every right to stop people parking on their land—that is clearly unarguable—but there has been an upsurge of problems in my constituency, particularly in Bletchley, in the south of the constituency, on a number of sites in the centre where it is not at all obvious to people that they are on private land. In the case of one major site, nobody had asserted ownership rights for some years and it had, in effect, been used as a public car park, even though it was private land—the site is adjacent to an actual public car park.

The building that was in the car park was converted into residential flats and the private owner, thus, hired a wheel-clamping firm to assert his right to stop people parking on that land. Consequently, many of my constituents who had been in the habit of parking unmolested on the land were suddenly subject to wheel-clamping, and the way in which those wheel clampers operated is wholly outrageous. There was virtually no signage, and the signs that there were measured 12 inches by 15 inches and were written in black on red—the most unreadable combination. The car clampers used to loiter around the corner, waiting for people to park and leave their vehicle before leaping out and shoving on the car-clamping device.

The clampers behaved in an appalling way to drivers, and among the various people who have contacted me are innumerable pensioners who have had their cars clamped and had money demanded from them. One individual was with his wife, who suffers from type 1 diabetes. As a result of the stress, she started to have a hypoglycaemic episode. The car clampers insisted on their money while the man's wife fell on to the floor and into a coma. He was phoning an ambulance on his mobile phone while trying to continue the altercation with the car clampers over the money and over the fact that they would not release the clamp so that he could at least take his wife to hospital. Another constituent, an elderly pensioner, had an asthma attack as a result of the stress caused by the actions of these individuals. One of the other car parks is connected to residential flats but is right next door to the job centre. A couple of people who were going to the job centre had their car clamped in the car park, too.

So, there is poor signage, the appalling way in which the wheel clampers have behaved and the fact that they have demanded payments in cash. They have allowed people to pay by another method in only a tiny number of cases, and that other method involves walking to the nearest cash machine with the car clampers to get the money out and give it to them. Some people who did not have enough money on them or who did not have their card have been forced to walk home to get the money and to come back to get their car released. The fine has been extortionate—they have been demanding £150 from people when, in some cases, cars have been parked for only about four minutes before they have been clamped.

It is understandable that my constituents have become increasingly outraged and that my local newspaper, the *Milton Keynes Citizen*, has taken up the campaign and has helped to co-ordinate the information that we have gathered from across the constituency. I have been feeding that information through to Ministers to strengthen their commitment to introducing regulation to control the private wheel clampers.

I want to reiterate the measures that are essential to the regulations. First, there must be clear signage of sufficient size and clarity, so that people know before they go on to the land that they are driving on to private land. Obviously, if drivers know that they are likely to get a penalty, on their own head be it. Secondly, there must be a cash limit on the level of fine that such individuals can apply. Thirdly, they must not be able to demand it in cash. There must be facilities for people to pay by card. Fourthly, a proper receipt must be given that records the place and time, the name of the operator and the address of the firm responsible so that individuals can check whether the firm is licensed with the Security Industry Authority. Finally, there must be a clear and independent appeals mechanism, as there is for parking fines when people park in council car parks, to ensure that the fines are operating reasonably. I hope that Ministers will be able to assure me that all that can be included.

I cannot give up the opportunity to make two or three other remarks on some of the issues that came up earlier in the debate that relate to various parts of the Home Office. First, I want to take this opportunity to say that my constituents have greatly valued many of the improvements that have been introduced in policing, in particular neighbourhood policing. Neighbourhood policing and community support officers have made a huge difference to the way in which low-level but extremely annoying crime is detected and dealt with in the neighbourhoods around Milton Keynes. It is still improving as it beds down, but it has been immensely valuable.

The second issue is CCTV. A while ago, there was a particularly nasty murder in my constituency. A group of youths were fighting and one of them was killed, and CCTV was invaluable not only in convicting the youths who were responsible but for absolving some of the other youths milling about in the fracas and who were not responsible for the fatal incident. It needs to be said that CCTV is a valuable adjunct to crime detection, both for convicting people and for absolving the innocent. I have certainly had evidence of that in my constituency.

Finally, I want to say a word about statistics, which have been very misused. I reiterate the need that MPs and others must have some mathematical education, as many people here seem to be completely innumerate. The initiative to improve the way we deal with domestic violence is bound to lead to an increase in the numbers of detected crimes of domestic violence. That will be a good thing. The initiative will not increase the rate of domestic violence but it will encourage people to report it, in the knowledge that incidents will be taken seriously. Exactly the same thing has happened with hate crime: because if people are assured that they will be taken seriously, they are more likely to report incidents of hate crime. The statistics suggest that the incidence of hate crime has gone up, but that is because we have recognised the problem, not because it is happening more often.

6.1 pm

Mr. Charles Walker (Broxbourne) (Con): I am terrified to be following my hon. Friend the Member for Monmouth (David T.C. Davies), as I want to speak about prison

reform. I am aware that many people in prison fully deserve to be there because they have committed heinous crimes. I do not argue that prison does not work—it does, as people in prison are not on the street committing crimes—but too often we see the revolving door in action. We see people go to prison for a period of time, leave prison, and within a year 48 per cent. have reoffended and many of those people are back in prison. In the case of youngsters, as many as 75 per cent. reoffend within a year and end up back in prison.

That is not good value for the taxpayer. The prison population is a captive audience, and that means that we must do something with them. I know that some progress has been made in that direction, but a great deal more remains to be done. Some 50 per cent. of prisoners have literacy and numeracy rates that are lower than an 11-year-old's, and they are simply incapable of functioning in the real world. A survey found that half of all prisoners were not qualified to do 96 per cent. of the jobs available outside prison, in the community. So we really must do something with the people who are in prison: we need to work on them to make them better people and to allow them to become fulfilled people able to turn their backs on crime.

When I came to Parliament, I was not a very moderate or relaxed person. I very much believed that people in prison fully deserved to be there, for as long and as often as possible, but 10 per cent. of our current prison population—a total of 8,000 people—formerly served in our armed forces. These are people who made significant sacrifices for this country, so why are they now in prison? How did we let them down so badly that they ended up there? Many more will follow unless we do something about the problem. We in this place know that many young men who have served in Afghanistan and Iraq in recent history are now in prison. Somewhere, therefore, we are letting those brave young people down, and it is a scandal that 8,000 current prisoners used to be in our armed forces.

Furthermore, prisons have become warehouses for the mentally ill. We closed down the asylums 30 years ago and moved many of the people into prisons. Some 40 or 50 per cent. of prisoners have undiagnosed mental health problems. I am not saying that people with mental health problems cannot do bad things. Of course they can. However, I am saying that mental health problems can be a significant contributory factor to people making the wrong choices in life, and consistently making the wrong choices in life.

Prison will not be a deterrent to an undiagnosed or untreated schizophrenic, so when we have people in prison who are ill, let us do something to help them. Let us do something to make them better. Every year that they spend in prison costs taxpayers £40,000. As my hon. Friend pointed out, if we let prisoners out unreformed and untreated, they do a lot more damage in society for the period that they are out of prison, then they go back to prison time and again and cost us a further £40,000 each time. This is not good enough.

My hon. Friend also pointed out that many prisoners suffer from drug addiction problems, and we know that drug addiction leads people to commit serious criminal offences. The scandal is that more people come out of prison as drug addicts than go in, so we need treatment programmes in prison to ensure that we clean these people up and get them to a position where they can go back into society, hold down a responsible job and start giving back to the community, as opposed to taking away from the community. That is why it is so important that when people are in prison, we do something with them on the educational and training front. We must give them the skills that they require to go and compete in the jobs market.

I am all in favour of building more prisons in the short to medium term, because unless we relieve prison overcrowding, we will not be able to address the underlying causes of reoffending. When prisons are overcrowded, it becomes purely a management issue for prison officers and the governors, as opposed to a rehabilitation issue. So let us, in the short to medium term, build more prisons so that we can start to have the space in the criminal justice system to rehabilitate people back into society, instead of sending out better criminals. Indeed, it is debatable whether we are sending out better criminals. To get into prison in the first place, they have to be caught, so they are not learning their skills from particularly bright operators.

It is important, going ahead, that as we clean up our communities and make society a safer place, we start to address seriously the revolving door of prison. Let us be sure that when people go to prison for a significant period, we use that time to make that prisoner a better person. Certainly, punish them. Having their liberty removed is a punishment. For many of these people, going to drug treatment classes—

David Taylor: The hon. Gentleman will have heard the comments from the hon. Member for Monmouth (David T.C. Davies). If prisoners are showing evidence that they are benefiting from rehabilitation and their behaviour is improving, does he believe that the concept of remission of sentence should be retained in the Prison Service? His colleague seemed to suggest that it should be abandoned.

Mr. Walker: I am not here to fall out with any colleague. Parole for good behaviour is positive. If people go to prison for five years and are then told that they will serve six years unless they demonstrate good behaviour, the switch is to a negative approach to managing prisoners. We need a rewards-based system, and good behaviour should result in early release—not obscenely early release, but certainly early release. I am not arguing for a softer approach to prisoners. I believe that we should be tough on crime and tough on the causes of crime. Right now we are not being tough on the causes of crime because we are not addressing low educational attainment, addiction rates or mental health problems.

I know that time is short, so I shall conclude. We have to be brave in promoting prison reform. There are not a lot of votes in it for any of us, but it is the right thing to do, because we want to make the communities that we represent safer places. When we keep turning back out into these communities criminals who are unreformed, who remain violent, who remain ill, who remain addicted, they are just as dangerous or even more dangerous than before we sent them to prison. So I hope all Members will approach prison reform with open-mindedness and courage. If we get it right in the long term, there will be a consequential saving to taxpayers, and our communities will be safer places in which to live.

6.10 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): I am very glad to be following the hon. Member for Broxbourne (Mr. Walker), as I am certainly more on his wavelength than that of the hon. Member for Monmouth (David T.C. Davies).

One thing that has always dismayed me during my time as a Member of this House is the misuse or ignoring of evidence in order to justify unjustifiable policies. One particularly bad example involves drugs policies, and both Front Benches are guilty in that regard. That is not what I intend to talk about today, however. I want to concentrate on a particularly bad example of the misuse of statistics.

On 13 November, articles about household benefits appeared in a number of the tabloids. The *Daily Express* carried the headline "Shameless Labour. Toll of families on £15,000 benefits doubles to 1.2 million since Labour came to power". The article went on to say:

"Last night, critics described the massive handouts as a grim indictment of the flourishing welfare dependency culture fostered by Gordon Brown. The statistics sparked new anger about the growing burden on the working population, having to pay for claimants languishing in a lifetime of taxpayers-subsidised indolence."

In the article, housing benefit, incapacity benefit and jobseeker's allowance were all described as "handouts". Only at the end of the article was it mentioned that the figures included pensioners, the disabled and people caring for the elderly and infirm.

Another tabloid, the *Daily Mail*, had the headline "Benefits Britain". The article went on to say:

"The number of families raking in more than £12,000 a year in benefits has trebled since Labour came to power, figures showed yesterday. Britain's culture of spiralling welfare dependency means 300,000 households now receive that figure or more in benefits—up from 100,000 in 1997. A worker would have to earn £27,000 a year to take home £20,000."

The headline in *The Sun* was "300,000 coin £20k in benefit bonanza", with the newspaper suggesting that that was more than many workers take home. Even the *Daily Mirror* agreed:

"The number of families on £20,000 a year in welfare handouts has risen threefold".

The source of these stories was information obtained from a written parliamentary question from the right hon. Member for Maidenhead (Mrs. May), who was extensively quoted in the aforementioned articles as saying:

"These figures show the shocking growth of a dependency culture under Labour. The Government needs to get to grips with Britain's benefit culture and radically reform our welfare system. It's hardly surprising that so many people spend their lives on benefits when in some cases they can get as much on benefits as many people earn in work."

But the figures do not show a shocking growth in dependency. They are taken from the family resources survey, and they are rounded to the nearest 100,000 of population. It is not therefore valid, for example, to describe a change from 100,000 to 200,000 as a doubling. Those figures could mask a change from 149,000 to 151,000, which is hardly a change at all. As the Library specialist told me, it is better to look at the percentage of households for which the change is less dramatic, if it exists at all.

Let us first look at the number of households that said that they receive more than £15,000. Based on rounded-up survey samples in 1997-98, there were about 600,000 such households, equating to 3 per cent. of all households, of which 500,000 had at least one member of working age. By 2007-08, the overall numbers had, indeed, doubled to 1.2 million, or 4 per cent. of households, but the figure for household members of working age had not increased significantly at all: it was still about 600,000, or 2 per cent. of households.

If there was any story from those figures, it was the large increase in the number of pensioner households that receive benefits of more than £15,000 per annum. The number had increased from 100,000 to 600,000 during the period in question. That is not a twofold or threefold increase, but a sixfold increase, so why did the right hon. Member for Maidenhead not congratulate the Government on helping the most vulnerable pensioners, those with disabilities and extensive care needs? The headline should have read "Labour pride", not "Labour shame".

On the numbers of households receiving more than £20,000, the figures are so low as to be meaningless. The table from the written answer on the number of households with persons of working age gives the following percentages: 1997-98, 1 per cent.; 1998-99, 1 per cent.; 1999-2000, 0 per cent.; 2000-01, 0 per cent.; 2001-02, 1 per cent.; 2003-04, 1 per cent.; 2004-05, 1 per cent.; 2005-06, 1 per cent.; 2006-07, 1 per cent.; and 2007-08, 1 per cent. Only if pensioner households are included does the percentage rise to 2 per cent. or 3 per cent.

There is a similar story on housing benefit. The Tories have put out scare stories about the increase in the housing benefit bill, but given that the number of social homes has decreased by 1 million since 1995, making more people dependent on the private sector, it is not surprising that the bill has gone up.

I think that I have established beyond doubt that the Opposition are not averse to misusing statistics. Their leader did so in his speech to their party conference, maligning the Labour Government on poverty while conveniently forgetting the huge rise in poverty under the Tories. Thank God they have not been in power through the recent recession.

It is particularly odious to misuse statistics in a way that pillories vulnerable people and panders to the lowest form of populism. We have seen the Tories recently put about completely unwarranted scare stories about the Government taking away disability living allowance and attendance allowance from pensioners. Then the next day, as I have shown, the same people—those pensioners—are portrayed as undeserving and a part of the dependency culture.

The Tories have tried to portray themselves as caring and honest, but in reality we see that they are still the nasty party, with the hon. Member for Monmouth being the exemplar par excellence.

6.19 pm

Nadine Dorries (Mid-Bedfordshire) (Con): The speeches that we have heard today have oscillated between both ends of the spectrum in terms of quality, and this evening I will attempt to make my own small contribution.

I was incredibly disappointed with the Home Office aspect of the Crime and Security Bill, because I should very much have liked it to cover two particular areas: the UK's current drug problems, about which there should have been greater detail; and the lack of trust between the police and the community.

I begin by talking about the drug problems that we face in the UK. The charity Addaction estimates that drug-related crime costs this country £110 billion a year. Of course, it is almost impossible to calculate the actual cost because there is a huge personal cost in terms of families, lost lives, and children and teenagers who become addicted to drugs and then go on to have lives that are meaningless. The figure of £110 billion is incredibly large—although it may even be on the conservative side—given the economic crisis and the Government's having to look at public spending in various Departments. One would therefore have thought the Bill might do something to deal with the problem.

Let us look at what the Government's strategy has been over the past 12 years. Shortly after they came to power, they introduced a 10-year strategy to combat the misuse of drugs. Ten years later, they issued another strategy that was almost identical to the first one. It was about maintaining and containing the drugs problem. It was not about dealing with or reducing the problem, but managing it. That is borne out by the number of methadone prescriptions, which have gone up by 71 per cent. In 2007, there were 1 million prescriptions; in 2008, there were 1.8 million. That huge increase proves in itself that the whole strategy is about maintenance.

We know—because it has been proven by a rehabilitation centre in Stevenage that has a 70 per cent. success rate—that the only way to deal with a young person's drug problem is abstinence. That means putting them into rehabilitation, removing their source of drugs, making them go through cold turkey, and giving them the support that they need. That has never been this Government's policy; despite its being a proven treatment method that works, it has never been adopted. Yet they are also the Government who declassified cannabis and then reclassified it as a class A drug. Their message to young people has been one of total confusion. They say, "Cannabis is not as serious as we thought it was. Oh yes, whoops, sorry, it is—we're going to reclassify it as class A. We're not going to do anything about treatment for the addiction or about the people at the school gate, the drug pushers, peddlers and pimps—we're just going to up the number of methadone prescriptions and give people an alternative to the drugs that they've been taking all this time." That is not a solution, and it is part of what is breaking down our society.

When I recently visited Styal women's prison, every single offender was in there for a drug-related crime. My hon. Friend the Member for Broxbourne (Mr. Walker) talked about the need to create more prisons. If we dealt with the drug problem properly—in a way that worked, using abstinence and rehabilitation on a day-care or residential basis—we would not need to build extra prisons because the drug-related crime numbers would fall and we would not need those extra spaces. The financial cost of crime would also be reduced considerably, and we would be a much better society as a result. It is not only about the young people whose lives are lost as a result of drugs, but about the people who are victims of the crimes committed in pursuit of the drugs needed to sustain a habit.

Mr. Andrew Turner (Isle of Wight) (Con): Does my hon. Friend recognise that there are 5.5 million crimes in which the characters who committed them have been caught and punished, but 4.5 million criminals are not yet caught? That is the problem.

Nadine Dorries: I absolutely agree. That is partly why it is so difficult to calculate the true extent of the problem. However, the figures that my hon. Friend quoted, and other figures, reveal the depth of the problem that we are dealing with.

It is a shame that in their final Gracious Speech, the Government have produced a Bill that deals with clamping and antisocial behaviour, but not with the worst antisocial behaviour that we face, which is a result of the drug problem. It is a huge shame that they have missed this golden opportunity to make a better society and deal with a problem that they have tried, and failed comprehensively, to deal with over the past 12 years. It was a golden opportunity to say to the people of the nation, "We understand the drug problem. We understand that there are many victims of crime as a result of drugs, so we are going to produce some really good treatment programmes, such as abstinence."

I wish to touch on the erosion of the community's trust in the police. That may be because of the de Menezes shooting or police storming into the offices of an MP without a search warrant or permission in a politically motivated manner. It may be because the police are arresting people to take DNA without their permission. No Home Office Bill can be implemented without the people having trust in the police. Without communities working with the police, there is almost no point in bringing forward a Home Office Bill, because it will be impossible to implement.

What can we do to improve trust in the police? We can make them more accountable to the people. When I write to my chief constable with a complaint from a constituent, somebody else writes back to me—an allocated department or another officer. Nobody in the police is accountable to the general public on a day-to-day, issue-by-issue basis.

The Crime and Security Bill would have been fantastic if it had somewhere in it the introduction of an elected police commissioner or some way of making the police accountable to the people. The argument that Labour Members frequently give is that that would mean politicisation of the police, and that if we bring politics into the police force at local level we will be doomed. However, the announcement by the Association of Chief Police Officers this weekend that it wanted to introduce a register of men who have been reported for committing two or more domestic violence attacks was politicisation. It shows the police acting in a political manner and considering something that will appease the Government of the day. It is not a policy that says, "Let's introduce something that will get rid of all the drug pushers at the school gates at 4 o'clock every day."

So why not use the Bill to bring in elected police commissioners, for whom people could go to the polls to vote at the same time as voting for us? Then when something went wrong in a particular area and the MP or the general public wanted to hold someone to account, they could go to that directly elected commissioner. He or she in turn could hold the local police board to account. We do not have that, and it is another golden opportunity missed in the Bill.

In my constituency, I suffer with the problem of clamping, which is covered in the Bill, on residential streets as well as in areas owned by the local authority. People come to my surgery on a weekly basis with stories of hardship about how they have been dealt

[Nadine Dorries]

with. As the hon. Member for Milton Keynes, South-West (Dr. Starkey) said, people who do not have the financial wherewithal to pay the £150 on-the-spot fine can suffer hardship as a result. Once they pay the fine, some cannot keep their car, and some may not be able to keep their job. They are people who are living on the edge and trying to keep together their home and livelihood, and they find themselves suddenly having to pay £150 to get their car back. If they have to borrow that money as they do not have it that day, the cost escalates and is ramped up. If the Bill is used to protect those people from that hardship, that will be a good move. However, that is the only thing in the Bill that I can see will be of any particular use to people who are looking for something to make their life a little more crime-free and a little easier.

I will therefore sit down and bemoan the fact that the Government have not even acknowledged that abstinence programmes work, and that they have not put anything in the Bill to point up that directly elected police commissioners would be a good idea and something to debate in the House. I hope they use the Bill to produce something to make people's lives better which, ironically, would be on the issue of the clamping of cars.

6.30 pm

Mrs. Theresa May (Maidenhead) (Con): The subjects of today's debate on the Loyal Address affect the day-to-day lives of our constituents across the country: crime and disorder, antisocial behaviour, worklessness, benefit dependency and violence against women. Those issues blight too many lives, and the challenges must be addressed by the next Government, but that requires change. Above all, the Queen's Speech and this debate have shown that this Government understand neither the need for change nor the depth of change needed, and they certainly do not have the vision or ideas to do what is necessary to tackle those issues.

The debate was marked, as expected in a debate on the Queen's Speech, by the variety of issues that have been addressed by hon. Members. It was also notable for the maiden speech of the hon. Member for Glasgow, North-East (Mr. Bain), who unfortunately is no longer in the Chamber. Making a maiden speech is daunting enough for new Members following a general election, but at least at that time there is some safety in numbers. Making a maiden speech is far more daunting and lonely for new Members who come in following a by-election, but I think he passed with flying colours. It was clear from his speech that he has immense pride in the fact that he is representing his home constituency. He spoke with wit and humour, and we look forward to hearing much more from him in future.

The debate was ably opened by my hon. Friend the Member for Epsom and Ewell (Chris Grayling), who forensically identified the ways in which the Government have failed to live up to their promises on crime, antisocial behaviour and welfare reform. When the Home Secretary stood up, I expected an equally analytical response, but far from that, it was a full 15 minutes before he even got to talking about the Queen's Speech. He gave us what is coming to be the all-too-predictable Labour response, which is to say, "But it was all worse in the '80s." Never mind that the Government have not met their promises, or that there are serious social issues challenging this country. All the Government are interested in is wiping out the past 12 years and harking back to what many voters will see, frankly, as ancient history. This Government will be judged on their record and their plans for the future and, on any analysis, they will be found wanting.

Mr. Stewart Jackson (Peterborough) (Con): Does my right hon. Friend think it a bit rich to be lectured by the hon. Member for Birmingham, Selly Oak (Lynne Jones) about raising the legitimate concerns of pensioners and disabled people? She represents a party that in 1997 launched its election campaign with a big lie: that Conservatives would abolish the state pension. It was a lie then and it is a lie now.

Mrs. May: My hon. Friend is absolutely right about the tactics the Labour party used in that election, and I will come to the points that were made about disability benefits by the hon. Members for Birmingham, Selly Oak (Lynne Jones) and for Glasgow, East (John Mason).

The Labour party approach of harking back to the past was also followed by the hon. Members for Sedgefield (Phil Wilson) and for Jarrow (Mr. Hepburn), although the latter also spoke about the campaign—*[Interruption.]*

Mr. Deputy Speaker: Order. We cannot have this sort of behaviour from those on the Front Bench.

Mrs. May: Thank you, Mr. Deputy Speaker. I was pointing out that the approach of harking back to the past was followed by the hon. Members for Sedgefield and for Jarrow, but the latter also referred to his long-standing campaign on pleural plaques.

There were a number of thoughtful contributions to the debate on the subject of violence against women and the hon. Member for Erith and Thamesmead (John Austin) made a very thoughtful speech. He rightly commended the white ribbon campaign and highlighted the importance of involving men in the work to end violence against women. He reminded us that violence against women takes many forms, a theme that was echoed by my hon. Friend the Member for Totnes (Mr. Steen), whom I commend on his valuable work as chairman of the all-party group on human trafficking, which is—as he said in his speech—the new slavery. My hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) also reminded us of the impact of violence in various forms against women in certain communities, including the Asian community, and the importance of working with local communities to combat that violence.

On the issue of crime, my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) reminded us of the need to get more police on the streets. As he pointed out, Labour promised, in its 1997 manifesto, that police would be on the beat, but the average police constable today spends only 14 per cent. of their time on the beat and 21 per cent. of their time on paperwork—another Government failure.

Several hon. Members spoke about issues of particular interest to them: the hon. Member for Northampton, North (Ms Keeble) spoke about alcohol sales and my hon. Friend the Member for Mid-Bedfordshire (Nadine Dorries) addressed drugs and their impact on people's lives. She referred to the failure of this Government in

that area, and I have a very good drug rehabilitation centre in my constituency, Yeldall Manor, which is a long-term residential centre. It has an excellent record of getting people off drugs and turning their lives around, but because of the way in which the Government fund drug support, it is unable to fill all its beds. That is sad, because it could make a valuable contribution to people's lives.

My hon. Friend the Member for Broxbourne (Mr. Walker) spoke thoughtfully about prison reform. The hon. Member for Glasgow, East raised the important issue of the Government's proposals to pay for their national care service by scrapping disability benefits for pensioners. The hon. Member for Birmingham, Selly Oak dismissed that claim as unwarranted, and the Minister for Employment and Welfare Reform has said that it was untrue. I can only assume that they, and any other Labour Member who says that it is untrue, have not read the Government's Green Paper on social care, because every option, apart from the option of people paying for social care themselves, is underpinned by some use of disability benefits. Furthermore, the Under-Secretary for Work and Pensions in the other place, Lord McKenzie of Luton has said:

"My Lords, the Green Paper, *Shaping the Future of Care Together*, proposed that one way to deal with the challenge of an ageing society may be to bring some disability benefits and the new care and support system together into a single system as a better way of providing support. At this stage, we do not want to rule out any options and so are considering all disability benefits."—[*Official Report, House of Lords*, 13 October 2009; Vol. 713, c. 112.]

The hon. Member for Glasgow, East raised the important point that disability benefits, such as attendance allowance and disability living allowance for the over-65s, give those who receive them the option of deciding how to use that money for the care that they want and that suits their needs. The Government are proposing to take that individual decision making away from pensioners and to say to them, "We won't let you decide what care you should have; we will tell you what care you will have, and it's going to be what the Government decide you should have." That would be a retrograde step.

There were also some lighter moments in the debate. The hon. Member for Eastleigh (Chris Huhne), as well as appearing to do a complete U-turn on the Liberal Democrats' policy on the DNA database, expounded the wonderful new policy of a regional points-based system for work permits. He said that that would work in the UK because it works in Australia. He needs to go and take some geography lessons if he thinks that that is a valid point.

We also had a characteristically forceful speech from my hon. Friend the Member for Monmouth (David T.C. Davies), who managed to cover crime, antisocial behaviour, prisons, immigration, political correctness and the Human Rights Act. I am not sure whether it was going from the sublime to the ridiculous or the other way round when he was followed by the hon. Member for Milton Keynes, South-West (Dr. Starkey), who proceeded to speak about wheel-clamping. I can tell her that I know about the problems of wheel-clamping from cases in my constituency.

At the core of this debate lies the Government's failure to deliver on their promises over 12 years and their inability to develop the thinking needed to take the country forward. Nowhere is that more clear perhaps than in their failure to have a plan to tackle the debt crisis and a radical strategy to tackle the jobs crisis.

Let us consider the Government's record on welfare reform. Having promised to be the party of welfare reform in 1997 and having asked the right hon. Member for Birkenhead (Mr. Field) to "think the unthinkable", they abandoned real welfare reform for more than a decade. Even when David Freud—now sitting on our Benches in the other place, as the noble Lord Freud—produced his report on welfare reform, the Government pushed it to one side and did nothing, and only produced their limited proposals for reform after my hon. Friend the Member for Epsom and Ewell published our green paper with radical ideas for welfare reform. Once again, therefore, the Government followed our lead, but once again failed to take the necessary steps to make the radical changes needed.

Let us remind the House of the figures: unemployment is at nearly 2.5 million, and while the recession has had an impact, we must never forget that the country entered the recession with nearly 5 million on out-of-work benefits. Youth unemployment is at a record level; one in five young people is out of work; the cost of incapacity benefit is now higher than in 1997, when Labour came to power; in some communities in this country, more than half of working-age adults are out of work and dependent on benefits; and worklessness has cost about £350 billion in benefits over the past 12 years. That is the cost of the Government's failure to reform welfare.

One of the saddest and most damning indictments of the Labour Government is their failure to do anything about the large number of long-term unemployed people on incapacity benefit. Of course, some on IB are unable to work, and they should be supported, but many who claim it can, and want to, work. They need the individualised support that will help them to overcome barriers to work and get them into jobs. Our work programme—

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): That is what they get.

Mrs. May: I hear the Minister's remark from a sedentary position. However, under the Government's flexible new deal, over-50s on IB and assessed as able to work will get one work-focused interview, and under-50s on IB will get three work-focused interviews. That is not the individualised support that those people need to overcome barriers and enter the workplace.

Under our work programme, and our "get Britain working" policy, we will ensure that people on IB who are judged fit and able to work will be referred straight away to the specialist help of welfare-to-work providers, who will deliver a programme of support that meets their needs and gets them into work. That sort of vision will make a real change to people's lives. Are the Government giving that help? No. Only a Conservative Government would provide the support needed to help people on IB into work.

Let us briefly consider youth unemployment. In a speech last week, the Prime Minister announced a range of measures, such as offering internships and other opportunities to graduates who have been unemployed for six months, but we think that all young people should be given specialised help to get them into work

[Mrs. May]

after six months. Once again, we see the paucity of the Government's ambitions. Whether it is rising levels of gun crime, increased numbers of persistent young offenders or rising IB claims, the Government have failed to meet their promises and abandoned too many of our fellow citizens. They have run out of ideas, have no answers to the challenges facing the country and have nothing left to offer. It is time for a fresh start and approach, and for the change that this country needs—change that can come only with a Conservative Government.

6.44 pm

The Secretary of State for Work and Pensions (Yvette Cooper): We have had a serious, thoughtful and wide-ranging debate today on the Queen's Speech, covering subjects ranging from wheel clamps to prison reform, and from housing benefit to pleural plaques.

Let me start by welcoming my hon. Friend the Member for Glasgow, North-East (Mr. Bain), who made his maiden speech in the Chamber today. We congratulate him both on his election to the House and on the great pride with which he spoke about his constituency, the community that he grew up in, his ambitions for his community and his plans to keep campaigning on jobs for young people and improving his community and his area. I look forward to working with him on those issues.

It is also worth noting the warmth with which many hon. Members in today's debate welcomed my hon. Friend and congratulated him on his speech. The first person to welcome him was the hon. Member for Totnes (Mr. Steen), who paid a warm tribute to our new Member and also raised the important issue of human trafficking. I congratulate him on the work that he has done over many years on the issue. He talked about the UK Human Trafficking Centre. As I understand it, the Home Office has no plans to close the centre or merge it with any other organisation, but I will raise his points with the Home Secretary, so that he knows what they are too.

Mr. Steen: I thank the Secretary of State for that statement. The 53 staff up in Sheffield are greatly concerned that they will be merged with either the UK Border Agency or the Serious Organised Crime Agency here in London. Both would be a mistake, so I am very glad that she will raise the matter with the Home Secretary.

Yvette Cooper: The hon. Gentleman has made an important point. The advice that I have received from the Home Office is that that is not the plan, but he will be able to take the matter further.

I also welcome the points made by my hon. Friend the Member for Erith and Thamesmead (John Austin), who referred to the issue of human trafficking as well as making important points about domestic violence and other issues raised by the Queen's Speech.

Several hon. Members raised issues to do with alcohol, including my hon. Friend the Member for Northampton, North (Ms Keeble) and the hon. Member for Enfield, Southgate (Mr. Burrowes). I agree with my hon. Friend on the importance of supporting more family-friendly working. It is important that we make work more family friendly, rather than simply helping family members go into work. My hon. Friend the Member for Sedgefield (Phil Wilson) talked about the importance of support for the economy.

The hon. Member for Glasgow, East (John Mason) talked about social care and disability benefits. It is important to be clear about that, because there has been a lot of scaremongering on the issue, which is not responsible. We want to expand social care and support for those who are vulnerable, but it is important to understand that the Personal Care at Home Bill, which forms part of the Queen's Speech, will have no impact at all on any disability benefits and will be paid for by changes throughout the Department of Health. In addition, we have said that those who are on disability benefits will not lose out as we look for longer-term changes and that we support expanding individual budgets, which are extremely important. I agree with the hon. Gentleman that it is important to give people control over the kind of care that they need in future.

Steve Webb (Northavon) (LD): Going further than that, I understand that the Health Secretary has ruled out taking away disability living allowance for future cases, but the same guarantee has not been made for attendance allowance. Can the Secretary of State clarify whether that is deliberate? In other words, is attendance allowance safe for future new claimants?

Yvette Cooper: My right hon. Friend the Secretary of State for Health has said that we do not think that working age disability living allowance should be connected with the care system, which is about looking at older people's needs. We want to look at what the future links should be and how we expand care beyond the care and support currently provided by the benefits system and local councils, but in a way that increases the support available and protects people who receive it under the current system. That is the right thing to do, and the hon. Gentleman will know that the position has been set out in detail for debate and consultation as part of the Bill.

The hon. Member for Eastleigh (Chris Huhne) raised the slightly curious spectre of border controls at Watford Gap or halfway along the M62, between Lancashire and Yorkshire, which might have slightly more support from some quarters. He seemed to be suggesting a regional points-based system and border controls.

Chris Huhne *rose—*

Yvette Cooper: I will allow the hon. Gentleman the opportunity to clarify.

Chris Huhne: The Secretary of State is far too intelligent to have misunderstood my remarks. I specifically said that my proposal would apply to workplace checks on employers. There is no question of border controls.

Yvette Cooper: I welcome the hon. Gentleman's recommitment to freedom of movement within the United Kingdom, because at a certain point in his remarks earlier he seemed to be committing himself to adding regional points for different regional skills shortages to the draft immigration Bill.

The hon. Member for Broxbourne (Mr. Walker) made a thoughtful speech on prison reform, while my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) and the hon. Member for Mid-Bedfordshire (Nadine Dorries) both raised issues around wheel-clamping, which I know we will have an opportunity to debate further.

My hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) pointed out many of the disingenuous ways in which Opposition Members have used statistics to support their image of a broken Britain, which their policies would, in fact, break further.

The hon. Member for Monmouth (David T.C. Davies) shouted at us all with great enthusiasm. He said that he did not believe the British crime survey and he refused to accept it. He said that he preferred hospital statistics instead. If he wants to refer to hospital statistics, I should point out to him that they, too, show a 6 per cent. decrease between 2007 and 2008 in admissions for assault with a sharp object. I hope that he will accept that that shows crime is falling, even if he does not want to accept the British crime survey.

The hon. Member for Epsom and Ewell (Chris Grayling) gave us his account of the broken Britain that he sees all around him. What we did not see from him, as my right hon. Friend the Home Secretary pointed out, was any more information on his new plans for official forms. In *The Sunday Times* he said:

> "Marriage has almost disappeared from official documents. I think that should change."

We would have liked to hear more from him on that, because it would be interesting to know whether, under a Conservative Government, people will not be able to get a driving licence unless they have told the Driver and Vehicle Licensing Agency whether they are married; or whether they will not be able to submit a planning application to extend their house, until they have told the council whether they have walked down the aisle; or whether people will not be able to get a library card until they have told the librarian whether their husband has gone off with someone else. *[Interruption.]* Conservative Members are saying, "How silly, how ridiculous," and I agree, but it was their honourable Front-Bench spokesperson who proposed this and it was their honourable Front-Bench spokesperson who, coming from a party that pretends to care and to complain about big government, put forward instead proposals that sound rather more like Big Brother.

Let me tell the hon. Gentleman that there is a serious point here. If he is suggesting that children applying to schools should now have to put on their application forms information about whether or not their parents are married, I do not think that it is a good idea—and I do not think it is a good idea for the children, either. I am married, and I think it is great for people to be married, as strong relationships are important for children, but strong families come in all shapes and sizes. Unlike the Conservative party, I do not believe that a child should be told that his family is second-class because it does not have a married couple at the heart of it. In the end, that is at the core of the hon. Gentleman's statements about marriage and the Conservative party's proposals to put forward tax breaks for marriage and support for marriage in the benefit system at the expense of widows or at the expense of mums left literally holding the baby when their ex-husband walks off. I believe that it is children whom we should support. That is what our proposals in the Queen's Speech and the Child Poverty Bill are all about.

The Queen's Speech supports children, as the Child Poverty Bill sets in place the historic ambition to cut child poverty and end it by 2020. We have already lifted 500,000 out of relative poverty, with a further 500,000 due to be lifted out of it by the measures we have brought in this year and last year.

Helping people back to work is another important element. Families across Britain are being hit by the recession. The world financial crisis has caused the biggest shock to our economy for very many generations, but despite the recession and despite the big increase in the number of full-time students, the proportion of working-age households where no one works has, in fact, fallen since 1997. The proportion of households of working age with no one in work is, I repeat, still lower than it was in 1997 as a result of what the Conservatives had done before that year. That contrasts with what we have done to help people back into work, to help lone parents back into work even while unemployment is rising and to help people on long-term sickness benefits get the support and treatment they need.

We want to do more to help young people because we know that they are most heavily affected during a recession. That is why, last week, the Prime Minister set out additional support to help young people from the moment they enter the jobcentre, and from the moment they become unemployed.

The action that we have taken has already made a significant difference. Unemployment is currently about 400,000 lower than independent forecasters expected at the time of the Budget, saving us billions of pounds. That is partly the result of our extra support for the economy, and partly the result of the £5 billion extra help for the unemployed—£2.1 billion this year, and £2.9 billion next year—to get them back into work. That is £5 billion that Conservative Members have repeatedly refused to support.

I will give the Opposition another opportunity tonight to say whether they will support that additional investment in jobcentres, and in getting young people back into work. Time and again, we have asked them to support that £5 billion, and time and again they have refused. I first asked the right hon. Member for Maidenhead (Mrs. May) in April last year, and she refused to support the extra investment to help people into work. I asked her again in May, June, July and September. I even tried asking the right hon. and learned Member for Rushcliffe (Mr. Clarke) in October, and he also refused to support it.

Time and again, the Conservatives have refused to back the extra £5 billion that we need to help people to get back into work. That is discretionary spending—not automatic stabilisers, and not funded by cuts in departmental spending elsewhere. It is part of the temporary discretionary spending that the Conservative party has opposed. It is borrowing to support the economy, and it is bringing unemployment down. Unemployment is now 400,000 lower than forecast at the time of the Budget last year. As a result of our investment, unemployment is lower than expected, and lower than in previous recessions, but the Conservative party opposes it.

The former Monetary Policy Committee member, Professor Danny Blanchflower, has said that if we followed the Conservative party's policies and cut investment

[Yvette Cooper]

in the middle of recession, we would potentially have unemployment of 4 million or 5 million now. That would be devastating for families and individuals across the country. The £5 billion investment is putting more staff into jobcentres to help people who are losing their jobs. In the 1980s, the Conservatives refused to put extra staff into jobcentres, and as a result made it voluntary to sign on and even to go into jobcentres to look for work. Little wonder that unemployment, and long-term unemployment, soared.

Once again the Conservatives refuse to support the extra investment that is turning things around and helping young people who would not otherwise have got into jobs. Most shockingly of all, the Conservatives want to abolish the future jobs fund. They do not want to help people across the country—100,000 young people, and 50,000 of the long-term unemployed—back into work. We know why: they oppose big government. That was the statement from the right hon. Member for Witney (Mr. Cameron) earlier this month:

"Human kindness, generosity and imagination are steadily being squeezed out by the work of the state."

That is an astonishing statement. Is that what those on the Opposition Front Bench really think? Do they really think that help for mums in Sure Start is killing kindness? Do they think that faster treatment through the NHS is undermining generosity? Do they think that free entry to museums is somehow crippling kids' imagination? *[Interruption.]* That is what he said—that human kindness, generosity and imagination are steadily being squeezed out by the work of the state.

The Conservatives want the state to withdraw, to force people to sink or swim, and to leave charities to pick up the pieces. The last time the Conservative party tried that was in the 1980s.

Mr. Patrick McLoughlin (West Derbyshire) (Con): *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly, That the amendment be made.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Michael Lord): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 235, Noes 335.

Division No. 2] **[6.59 pm**

AYES

Ainyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kestch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence

Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan

Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Jones and
Mrs. Sharon Hodgson

Question accordingly negatived.

7.17 pm

The debate stood adjourned (Standing Order No. 9(3)).

Ordered, That the debate be resumed tomorrow.

Business without Debate

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 1 December, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Sarah McCarthy-Fry relating to European Financial Services Proposals not later than three hours after their commencement; proceedings may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Steve McCabe.)*

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Steve McCabe.)*

Hon. Members: Object.

PETITIONS

Future of Small Shops

7.17 pm

Andrew Selous (South-West Bedfordshire) (Con): I take pleasure in presenting a petition on behalf of the Federation of Small Businesses in my constituency, which was brought to me by members of the "Don't Let Dunstable Die" group.

The petition states:

The Petition of members of the Federation of Small Businesses and others,

Declares that the House of Commons All-Party Small Shops Group estimates that there will be no independent retailers by 2015; declares that this equates to the loss of 50,000 small businesses; declares that the petitioners believe that small shops are struggling to survive because of local, regional and national government policies, together with the failure of the competition authorities to deal with the aggressive policies of the supermarkets.

Further declares that the loss of the UK's Independent retailers has far-reaching socio-economic and environmental implications for the whole community; further declares that superstores and small independent shops should not be considered as two separate markets.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure the future of small shops across the UK and to safeguard the choice and competition that people expect on the market place; to create an independent regulator to ensure that local retail planning decisions do not have a negative effect on the interests of the local community; and to prohibit unfair pricing advantages such as below cost selling.

And the Petitioners remain, etc.

[P000424]

Equitable Life (Portsmouth South)

7.18 pm

Mr. Mike Hancock (Portsmouth, South) (LD): I present this petition to the House on behalf of a number of my constituents—all affected in one way or another by the Equitable Life assurance society fiasco—headed by Mr. Colin Rivington. They remain loyal subjects of the Queen and petition this Parliament to take action on their behalf.

The petitions states:

"The Petition of the residents of the constituency of Portsmouth South,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying in full with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000425]

Adoption and Custody (Suffolk)

Motion made, and Question proposed, That this House do now adjourn.—*(Steve McCabe.)*

7.20 pm

Mr. Tim Yeo (South Suffolk) (Con): I welcome this chance to raise on the Adjournment of the House my deep concerns about the adoption of very young children. In particular, I wish to expose the policy of Suffolk county council in cases where the birth parents do not wish to give up newly born babies for adoption. The council actively seeks opportunities to remove babies from their mothers. Its social work staff do so in a manner that in my view is sometimes tantamount to child kidnapping.

I also wish to raise related concerns about custody decisions in cases where the parents are separated, and about the role of the Children and Family Court Advisory and Support Service. Individual CAFCASS officers exercise substantial influence over the outcome of court hearings. They are often extremely unhelpful, both to birth parents who wish to be able to bring up their own children and to fathers who wish to retain access to children following the breakdown of a relationship.

I have suspected for some time that an explicit if unpublished aim of the staff of Suffolk county council is to remove very young children from the care of their parents wherever possible. My anxiety results from a growing number of families in my constituency who come to me for help when Suffolk county council staff threaten to take away their children. I shall illustrate my concern by describing just one family, whom I have got to know well in the past 18 months. I wish I could believe that their case was exceptional but, alas, I fear that it may be typical of the practices followed by social workers throughout Suffolk, and possibly elsewhere in the country.

For legal reasons, I cannot use the family's real names. I first met Carissa when she came to my constituency surgery in July 2008, with her partner Jim. At the time, Carissa was seven months' pregnant. I formed the view, which has been confirmed on every subsequent occasion, that although Carissa had a difficult and unhappy upbringing herself, she is potentially a loving and responsible mother, and that Jim would be a supportive and caring father.

Carissa and Jim were concerned about the threats of Suffolk county council staff to take away their unborn baby soon after its birth. I therefore wrote to the then director for children and young people to ask why her staff had threatened this action, only to be informed that the county council was bound by confidentiality rules that prevented it from disclosing anything about the case. That was despite the fact that both parents had authorised the council, in writing, to disclose all information to me, however damaging it might be to them.

Their daughter Poppy was born early in September last year. Suffolk county council social services monitored Poppy's progress minutely during the first few weeks of her life. Happily, she prospered at home under the loving care of Carissa and Jim. However, the fact that no fault could be found in the physical and emotional care provided by her natural parents did not deter the council from destroying this fragile family.

[Mr. Tim Yeo]

On 27 October, the county council staff, having first ensured that Jim would be away from home, arrived unannounced and without warning at Carissa's home, accompanied by police. They snatched Poppy, then only a few weeks old, from the arms of her distraught mother. I immediately protested to the council about that unjust and cruel act. I received a letter in reply containing the chilling, and completely ungrammatical phrase

"I can confirm that the infant was removed without notice with the assistance of the police however no force was used."

In the eyes of the council, that apparently made everything all right.

The appalling truth is that, in Suffolk in 2008, social workers and police could burst unannounced into a home to snatch a nine-week-old baby from the arms of her mother—a mother who is not only totally innocent of any offence but who is not even suspected of having harmed her child. Such is the extraordinary power of the social workers that all of that happens in a way that cannot be challenged. When the innocent victim asks her Member of Parliament for help, his inquiries are met with a wall of silence. This wall of silence is said to be in order to protect the privacy of the child. The truth is that it serves to conceal the actions of social workers from public gaze.

It is very probable that if social workers had to operate with the same level of transparency and public scrutiny as every other profession takes for granted, some of the terrible cases where a failure to intervene, as opposed to the problem of unnecessary and unjust intervention in the case that I am describing, would not take place.

To make matters very much worse, the circumstances of the raid were seriously misrepresented when council staff gave evidence in August this year to the adoption panel considering Poppy's future. Following the removal of Poppy from the care of her parents, a bitter legal battle took place, which continues to this day. Throughout this process Suffolk county council has repeatedly changed the grounds for removing Poppy, alternating between blaming one parent and then the other.

The council's search for a justification for its cruelty became increasingly frantic as one initial diagnosis was overturned and replaced with another. Numerous contradictions arose which cast serious doubt on the soundness of the case against the couple. The first doctor's psychological assessment of Carissa declared that she qualified for a diagnosis of factitious disorder. Then a consultant forensic psychiatrist decided after the briefest of assessments that she fulfilled the criteria for the much more catch-all narcissistic personality disorder. The first doctor assessed that Jim was "a pathological liar". Later, a consultant clinical psychologist

"would not endorse the expression".

Expert witnesses also expressed misgivings. At a professional meeting on 18 March the doctors wanted to go on record

"as being very concerned about the fragmented process of this case".

Only Dr. B had seen both parents. Dr. D had only interviewed Jim and Dr. S only Carissa. Dr. B remarked that the fragmented information was a

"disadvantage to the professional assessment as each had only part of the picture".

Astonishingly, however, at no point has the ability of Carissa and Jim to care for Poppy been questioned. It is acknowledged that in the few weeks in which they were allowed to look after her, they did so in an exemplary manner.

The final favoured rationale given by social services for Poppy's adoption order was based on nothing more than the possibility of future emotional abuse of her by either Carissa or Jim. The council staff claimed that only if Carissa received two years of therapy, and if Jim received at least six months', could they become responsible parents. Accepting that advice, and using wording that betrayed his own prejudices, a judge concluded that that would be too long a period to wait and that Poppy should therefore be taken away from her loving parents.

The consistent thread running through this horrifying story has been the evident determination of social services staff to prevent an infant from being brought up in the care of her natural parents. There have been many other contradictions and inconsistencies in the case—far too many to list in this debate. Throughout the process Carissa and Jim have co-operated fully with social services, which is a reflection of how desperate they have been to retain their role as Poppy's parents. They were often caught in Catch-22 situations. Initially, Carissa was told she would have more chance of keeping Poppy if she separated from Jim. When she reluctantly complied with this suggestion temporarily in order to keep Poppy, however, the alleged instability of their relationship was cited as an additional reason for adoption.

In August this year, when the Suffolk county council adoption panel held its hearing about the case, Jim and Carissa asked me to attend as their McKenzie friend, the first time I have undertaken this role. A kangaroo court would be a better title for the so-called panel. I inquired about its members and was told that they were

"people with an interest in adoption—either adoptive parents themselves or people who had been adopted".

Put another way, that meant that the panel consisted of people who were emotionally in favour of adoption, regardless of the merits of any individual case. I later learned that the panel almost always recommends that babies are adopted and practically never returns them to their birth parents.

The procedure followed by the panel involves its members meeting first in private to consider the evidence. Neither Carissa nor Jim was permitted to know what information was being considered by the panel at this stage. This was particularly alarming because extensive and detailed notes were regularly written up after various meetings with council staff, CAFCASS employees and so on. Neither Carissa nor Jim ever had an opportunity to see these notes, to check their veracity or to comment on the judgments that they contained.

This process would not, of course, be permitted if Carissa and Jim were facing criminal charges. The panel process equates to trying someone for an offence without giving them the chance to know on what the case against them is based. It is such a flagrant breach of natural justice that it would not be tolerated in any other legal process and should not be tolerated in adoption cases.

Neither Carissa nor Jim stands accused of any offence whatever. The punishment that they face, however, is one of the most terrible any parent can face—the forced

removal of their baby. The awful truth is that they would have more legal rights and would be treated more humanely and justly if they were on trial for murdering their child.

It all meant that when Carissa and Jim eventually met the panel, they had no idea what points they should try to make because they did not know what they were accused of. Equally seriously, the accuracy of the allegations put before the panel by council staff is extremely questionable. One allegation, based on evidence from a council staff worker, was that Jim had been present when Poppy was snatched from her mother's home. It was said that a man's voice making threatening comments was heard from another room in the flat where Carissa was living with Poppy. That was not just a fabrication but must have been known by council staff to be a fabrication when it was included among the items for consideration by the panel.

I am not qualified to assess the suitability of my constituents to parent their own child, but I am very concerned about the case. In bringing it, Suffolk county council has followed a procedure that should be outlawed in any civilised country. It is a process that denies parents the most basic human and legal rights.

I am also concerned about the apparent contortions that county council social services and their appointed medical practitioners have gone through to justify their intervention and to find grounds for adoption. It is clear that far more accountability and scrutiny are required for social workers, CAFCASS officials, expert witnesses and judges. That is particularly the case when many of the same people are frequently involved. For example, the judge who oversaw a previous private law proceeding relating to Carissa's former husband also dealt with the case of Poppy. The CAFCASS practitioner who is Poppy's guardian was also involved in a custody dispute about Carissa's first child.

Before concluding, I wish to mention briefly another constituency case involving this same CAFCASS worker. I consider the actions of that worker to be so damaging to the families she is appointed to help that, as soon as I am legally permitted to do so, I shall name her publicly. In the meantime, I strongly advise CAFCASS that she should be suspended.

In that other case, a previously stable relationship between Richard and his partner, who together had a young daughter, broke down in distressing circumstances when his partner's older daughter physically attacked Richard. Unable to return to the family home, for which he had paid, and unwilling to bring charges against his stepdaughter, Richard moved out.

At first, despite regular threats of violence against Richard and his family from the family of his former partner, threats that were so serious that significant protection measures had to be taken, Richard continued to enjoy almost daily access to his daughter—that is, until this CAFCASS worker arrived on the scene. In flagrant contradiction of the merits of the case and very much against the interests of the young girl concerned, the CAFCASS officer persuaded a court to cut Richard's access to his only daughter to a supervised session of no more than three hours a week. In the process, Richard's personal safety was seriously compromised. The result has been the destruction of the previously close and loving relationship between Richard and his daughter. Great distress has been caused to the whole of his family and Richard's health and well-being have been gravely damaged.

To sum up, I believe that the current procedure for resolving adoption cases when the natural parents wish to retain care and custody of their children is unfair, unjust and should not be tolerated. The secrecy surrounding the process, together with the appalling lack of scrutiny and accountability in the social care and family court system, is made worse by the fact that Members of Parliament are prevented from having proper information in relation to "child protection" cases.

Like other hon. Members, I am daily supporting constituents who have been let down by some branch of the state. Uniquely in the area of child protection, I am expected to trust that public officials are doing everything absolutely correctly. I am not allowed to make an informed judgment about that myself.

Sadly, we know from the terrible baby P case that sometimes social workers make grievous errors. How, therefore, can we believe that every time a child is forcibly removed from a loving home and from his or her natural parents, the judgment of the social workers is so perfect and faultless that it should not be open to any outside scrutiny?

In the case of Poppy it was only in September, after a court had ruled that she should be permanently and forcibly adopted, that I was finally allowed access to the detailed case notes. Poppy's parents themselves are still struggling to see the data held on them despite wanting to mount a private appeal. Once again, the rights of people accused of crimes, however serious, are far greater than those of parents of children whom social workers want to seize for adoption. In criminal cases, defendants have a right to receive copies of case conference notes and all the evidence that is used against them in court.

There are, of course, many cases in which removing a child from the care of its parents is necessary and right, and tragically decisions about whether to return an abused child to abusive parents may literally be a matter of life or death. The category, however, of emotional abuse is more complex, but in any circumstances it is surely true that, if the professionals involved were made more accountable, decisions about permanent removal would be a little easier to justify. The problem of accountability is complex, but as award-winning journalist Camilla Cavendish, who has studied the subject, points out:

"The privacy of the child has become synonymous with the privacy of the professionals."

The other lesson from the case of Poppy is that the emphasis must shift from removing young children from parents, who may themselves be vulnerable and somewhat inadequate, to providing support for those same parents. If a fraction of the effort, cost and time that Suffolk county council staff spent on trying to justify the removal of Poppy from her parents had, instead, been devoted to helping Carissa and Jim, it would have strengthened a family instead of destroying it. Social workers should provide more supportive parenting help early on. The judge suggested that Jim would require six months to a year of therapy in September 2009, and that did not fit into Poppy's time scales, but the family were known to social services before her birth, giving them as much as 18 months to work with the couple had they so desired.

[Mr. Tim Yeo]

Tens of thousands of pounds have been spent on the court process for the case—money that could have been used to help the family and others in their position. I urge the Minister to institute an immediate inquiry into how the adoption process works in the cases of very young babies who have been born to parents who wish to keep them. Some 16 years ago, I was a Minister at the Department of Health, where I had responsibility for adoption and social services policy. I believe that the subject is critical to many families and transcends normal party political boundaries. We should let the case of Poppy be the catalyst that leads to a change in such unfair procedures.

7.37 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I congratulate the hon. Member for South Suffolk (Mr. Yeo) on securing this important debate. Like the hon. Gentleman, the Government want the very best for every single child in this country, and that is why we take the safeguarding of children so seriously. I am of course aware of the circumstances to which he refers, and I understand how incredibly difficult and emotionally draining it can be for all concerned in such cases. However, as I am sure he will appreciate, I am unable to comment on, or intervene in, such individual cases.

Before I deal with some of the hon. Gentleman's points, I shall make it clear that the Government's policy is that children should live with their parents whenever possible. We have invested huge amounts in early intervention, through Sure Start children's centres and our Think Family initiatives, and in more intensive support, through family intervention projects, family nurse partnerships and multi-systemic therapy programmes, to support the most vulnerable families with children on the edge of care. The challenge for social workers, and for all of us, is to keep children safe and families together when that is possible, but sadly sometimes it is not.

I am sure that the hon. Gentleman agrees that the child's welfare is of paramount importance in all decisions made by local authorities, or by the court, about the care and upbringing of children. Sometimes children have to be taken into care because they cannot live at home in safety, and the Government make no apology for that. Local authorities have powers to apply to the courts for emergency protection orders, and the police have powers to remove children so that they can act immediately to protect the child, but local authorities cannot remove children from their parents' care without the parents' consent without first referring the matter to a court. The court may make such an order only if it is satisfied on the evidence provided that the child concerned is suffering, or is likely to suffer, significant harm, and that that is due to the care given to the child by the parents. It is, for the child, better if the order is made than if it is not.

The decision that a child should be adopted is made not by one social worker, but by a group of people who scrutinise the adoption plan—in particular, an adoption panel. In considering the plan, the adoption panel and the local authority must, like the courts that make the final decisions, have regard to the welfare checklist set out in the Adoption and Children Act 2002, and they must consider whether adoption or another permanent option would be better for the child. If the parents do not agree to their child being placed for adoption, the local authority must apply to the court for a placement order. It is then a matter for the court to decide whether to make a placement order and, later, an adoption order. No child is adopted from care without a court deciding that it is in their best interests; this is a fundamental safeguard in the care system. Provisions in the Children, Schools and Families Bill will continue the process of opening up family courts by broadening the amount of information that can be reported by the media, which will be allowed to attend proceedings in staged processes. That is subject to a review following the introduction of the first stage.

Let me turn now to information and support for parents. Parents must have access to court reports and permanence reports, as well as the right to counselling and fully understanding the reasons for decisions being made. They also have the right to an independent support worker as soon as adoption becomes the plan for the child. Adoption records are highly confidential, and it may not be appropriate for a local authority to share certain information with birth parents, particularly if this relates to third parties and if doing so could undermine the security of the adoptive placement or put the child's welfare at risk. However, the child's permanence report is to be read by the birth parents—it is a key document presented to the adoption panel about the adoption plan for a child. Parents should therefore be aware of information that the panel will take into account in making recommendations regarding the plan for adoption, and the panel will take into account any comments the parents have made on the child's permanence report.

The local authority must provide a counselling service for parents, who, as I said, also have the right to an independent support worker, whose role is to provide the parents with advice and support. All local authorities should be working in partnership with birth parents, although it is a matter for each authority to decide on the appropriateness of sharing minutes of specific meetings. A new booklet for parents entitled "Your child could be taken into care" has been produced by the Ministry of Justice, with the aim of strengthening and improving the information offered to parents before court proceedings begin; this will be issued in the new year. In addition, since May this year the Children and Family Court Advisory and Support Service has been sending an information pack about court processes and the role of CAFCASS to all parents and children involved in proceedings.

Government guidance consistently highlights the importance of continuing to work in partnership with parents with a view to the child returning home, even when statutory action is being taken. For example, we recently issued for consultation draft regulations and strengthened guidance, which set out our expectations regarding care planning to ensure that each looked-after child has a thorough assessment of their needs and circumstances. However, a stage may be reached when it is apparent that the child cannot return home. At that stage, the local authority must make alternative plans to provide the child with a permanent family home. Adoption is one way of providing this, and it is appropriate for some children, depending on the facts of each individual case. In such cases, however, the local authority must

explain to the parents why the child cannot go home, and why it has been decided that adoption is the plan, as well as the legal implications of placing their child with prospective adopters and the effect of an adoption order.

Before I close, I feel it is worth noting that Ofsted's last inspection of Suffolk described the authority's adoption service to children and families as both strong and child-focused, with birth families being involved in adoption plans and invited to attend the adoption panel to give their views. It stated that they can also access independent support and receive help with maintaining indirect and direct contact with their children, and that they are treated with respect.

I reiterate that I am proud of this Government's record in delivering for families and safeguarding children. There are already extensive checks and balances in the system, including the independent judiciary, publicly funded solicitors for all parties and CAFCASS children's guardians, which combine to ensure that care and adoption orders are made only after proper scrutiny of local authorities' work and proposals.

I understand from CAFCASS that it received a letter from the hon. Gentleman on 19 November regarding the actions of a CAFCASS officer and the court's decision on contact in a specific case. It has assured me that he will receive a reply within 10 working days of receipt of that letter.

Question put and agreed to.

7.45 pm

House adjourned.

Deferred Division

ADJOURNMENT (CHRISTMAS)

That this House, at its rising on Wednesday 16 December 2009, do adjourn till Tuesday 5 January 2010.

The House divided: Ayes 273, Noes 198.

Division No. 1]

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connerty, Michael
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
MacShane, rh Mr. Denis
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Serwar, Mr. Mohammad
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Speller, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Sloate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Walley, Joan
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm

Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hague, rh Mr. William
Hamilton, Mr. David
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hulme, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Lull, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Main, Anne
Mason, John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Teather, Sarah
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waller, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 26 November 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LEEDS CITY COUNCIL BILL AND READING BOROUGH COUNCIL BILL

Ordered,

That the promoters of the Leeds City Council Bill and Reading Borough Council Bill, which were originally introduced in this House in the Session 2007-08 on 22 January 2008, should have leave to proceed with the bills in the current Session according to the provisions of Standing Order 188B (Revival of bills). —*(The Second Deputy Chairman of Ways and Means.)*

SESSIONAL RETURNS

Ordered,

That there be laid before this House Returns for Session 2008-09 of information and statistics relating to:

(1) Business of the House;

(2) Closure of Debate, Proposal of Question and Allocation of Time (including Programme Motions);

(3) Sittings of the House;

(4) Private Bills and Private Business;

(5) Public Bills;

(6) Delegated Legislation and Legislative Reform Orders;

(7) European Legislation, etc;

(8) Grand Committees;

(9) Chairmen's Panel; and

(10) Select Committees.—*(The Second Deputy Chairman of Ways and Means.)*

Oral Answers to Questions

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Parish Priests

1. **David Taylor** (North-West Leicestershire) (Lab/Co-op): How many parish priests in England are expected to reach retirement age in each year up to 2015. [301665]

The Second Church Estates Commissioner (Sir Stuart Bell): I expect the numbers of retirements of parish priests between now and 2015 to be as follows: 224 in 2010, 304 in 2011, 336 in 2012, 310 in 2013, 313 in 2014, and 278 in 2015.

David Taylor: Perhaps that answer reflects the £350 million pension board deficit in the priests' retirement fund and the consequent need to raise the retirement age to 68. Can my hon. Friend say whether, taking into account deaths and future retirements, the overall trend is for a falling number of stipendiary priests and whether that is balanced out by an increase in the number of non-stipendiaries?

Sir Stuart Bell: As my hon. Friend will know, as with every other final salary pension scheme the cost of the clergy pension scheme has increased significantly over the past decade because of increased life expectancy, lower investment returns and increased regulation. The Church is committed, however, to ensuring that its clergy receive an adequate income in retirement.

On the second part of my hon. Friend's question, it is a fact that deaths and retirements mean that the overall number of stipendiary priests has been falling. However, I remind the House of two things: first, the Church is immensely well served by thousands of non-stipendiary clergy; and secondly, it is doing some very good work with vocational events to help people, especially younger people, to explore their calling.

Robert Key (Salisbury) (Con): Please can the hon. Gentleman tell us how many professional statisticians are employed by the Church of England at Church House and by the Church Commissioners?

Sir Stuart Bell: I am certainly aware of one statistician who gives me excellent advice. If there are others within the recesses of Church House, I will be happy to search them out and give the hon. Gentleman a written response.

Sir Patrick Cormack (South Staffordshire) (Con): As so many parishes, including my own, are dependent on retired clergy for keeping their services going, is there not a lot to be said for raising the retirement limit and allowing clergy to serve in full post until they are 75?

Sir Stuart Bell: The hon. Gentleman makes a very interesting point, to which at this time I have no answer. However, it is certainly a problem that the Church would like to consider, because we need to deal with it. His suggestion is welcome and I will check it out for him.

Stipendiary Priests

3. **Miss Anne McIntosh** (Vale of York) (Con): What the average number of churches is in a rural parish which is in the charge of a stipendiary priest. [301667]

Sir Stuart Bell: We do not keep records of which parishes are rural and which are not. However, I know from the latest edition of "Church Statistics"—the hon. Member for Salisbury (Robert Key) will be very aware of this—that there are, on average, 2.1 churches to a benefice, with figures ranging from 1.3 churches per benefice in Portsmouth diocese to 3.6 churches per benefice in Hereford diocese.

Miss McIntosh: Taking that with the hon. Gentleman's answer to the hon. Member for North-West Leicestershire (David Taylor), it appears that more parishes are going to be covered by the same stipendiary priests. I know

that the Second Church Estates Commissioner has visited Teesdale, where I was brought up, and parishes in North Yorkshire are very similar. Parish priests are extremely hard pressed. What can he do to make their lives a little easier in getting around to administer to parishes?

Sir Stuart Bell: I am grateful to the hon. Lady for reminding us of our last exchange, when I mentioned my visit to Teesdale churches. She asks about stipendiary priests, but I should point out that the Church is also well served by many thousands of others, including non-stipendiary ministers, chaplains and retired clergy. Taking that into account, at the end of 2007 more than 20,000 ministers were licensed by Church of England dioceses—that is one minister for every 2,500 people in England. Is not that a remarkable fact, Mr. Speaker?

Mrs. Ann Cryer (Keighley) (Lab): I thank my hon. Friend for the information regarding stipendiary and non-stipendiary priests. Does he have a precise figure for how many non-stipendiary priests there are in the Church of England—and may I pay tribute to them? My second late husband, John Hammersley, spent his last four years of working as a Church of England vicar in the Oxford diocese training and preparing for ordination non-stipendiary priests, and he was terribly impressed by their abilities.

Sir Stuart Bell: I am grateful to my hon. Friend for referring to the good work that the non-stipendiaries do and how much that work is appreciated in the Church. In response also to the earlier question from the hon. Member for South Staffordshire (Sir Patrick Cormack), the clergy work load is always under review and it is part of the bishops' pastoral care for the clergy. My hon. Friend's point is very well made.

Christian Minorities Abroad

4. **Mr. Andrew Pelling** (Croydon, Central) (Ind): Whether the Church of England allocates funding for the purposes of assisting persecuted Christian minorities abroad. [301668]

Sir Stuart Bell: Supporting persecuted groups, whether Christian or not, is an integral part of the Church's work at all levels. Centrally, funds are not separately allocated for that work, but I can assure the hon. Gentleman and the House that the officers and advisers of the Archbishops Council, together with bishops, dioceses and the officers of the archbishops, provide substantial and continuing support to persecuted Christians abroad.

Mr. Pelling: I am very grateful to the hon. Gentleman for that positive answer. I know that my own Bishop of Croydon spoke at the international interfaith conference in Kazakhstan a year ago on this matter. Does the hon. Gentleman feel that it is appropriate for the Church to do its very best to draw the attention of the media and Her Majesty's Government to the persecution of Christians, for example in northern Iraq and in Orissa?

Sir Stuart Bell: The hon. Gentleman is certainly right about the work that the Church does, which does not get adequate media attention in the age of the 24-hour media, and he refers to his own bishop's visit. There have recently been killings of Christians in Gojra and tensions in Nigeria, and they are matters of great concern to the Church. The Archbishop of Canterbury has led the response, corresponding with the Pakistani Church and Government, and a delegation led by the Bishop of Bradford will meet Ministers and visit Gojra next month. The idea that we ought to draw the media's attention to the matter more is positive.

Mr. David Drew (Stroud) (Lab/Co-op): In the past I have travelled to Pakistan and Nigeria with that excellent organisation, Christian Solidarity Worldwide, and I must tell my hon. Friend how important Christians abroad view the Anglican Church in this country as being and how much they look to it for leadership. Anything that can be done to increase the budget and our representation in those countries to ensure that they are listened to is vital.

Sir Stuart Bell: My hon. Friend again draws the attention of the House and the wider world to the excellent work that the Church does in difficult circumstances. He mentions funding, and although the Church Commissioners do not fund that particular work, the Church none the less applies significant resources to it through various budgets, including the expenses budgets of its officers, bishops and archbishops. Clearly, such work takes much time and involves significant travel and other costs, as he is aware, but it is vital work and it is vital that the House is aware of it.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Spending Limits (General Elections)

5. **Mr. Graham Allen** (Nottingham, North) (Lab): What recent consideration the Electoral Commission has given to the current limits on expenditure by candidates in general elections; and if he will make a statement. [301669]

Mr. Gary Streeter (South-West Devon): The Political Parties and Elections Act 2009 has introduced significant changes to the limits on candidates' spending, including for the first time the concept of a long campaign period during which their spending is regulated. The Electoral Commission issued briefings on the proposals while the Bill was before Parliament, which are available in the Library and on the commission's website.

Mr. Allen: The monopoly of political power between the Government and the media threatens not only this place but the grass roots of our politics. Many of us of all parties know of the decline in the membership and activity of local parties. Will the hon. Gentleman make it his aim to extend the ability of the grass roots of our parties to thrive, not least by raising the amount that Members of Parliament can spend on their campaigns locally rather than at national level?

Mr. Streeter: The hon. Gentleman makes an important point, and he has campaigned diligently on the issue over the years. However, as the House has recently considered the matter in some depth as the 2009 Act went through, the Electoral Commission is not currently examining it and sees no opportunity for a review of candidates' spending before the next general election.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): One of the challenges for the Electoral Commission in trying to have a long-term limit on expenditure is not knowing when the general election will be. Has the commission made any representations on, or study of, the benefits of a fixed-term Parliament to making electoral expenditure more predictable?

Mr. Streeter: Not as far as I am aware, but I will of course pass on the hon. Gentleman's comments to the Electoral Commission.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Grant Applications

6. **Michael Fabricant** (Lichfield) (Con): Whether the Church Commissioners provide guidance to parishes and cathedrals on making applications for grants from Departments, national lottery funds and charitable bodies. [301670]

The Second Church Estates Commissioner (Sir Stuart Bell): As I told the House on 23 October 2008, *Official Report*, column 449, the Church provides such advice via the Churchcare and Parish Resources websites. In addition, the lottery providers give specific advice on their own schemes via their websites.

Michael Fabricant: The hon. Gentleman will know that cathedrals, including Lichfield cathedral, have made several applications to people at, for example, the Heritage Lottery Fund, and have often been successful, but when they are unsuccessful, it has cost the cathedrals tens of thousands of pounds. Large applications have to be made and decided upon down in London. Surely, there is an argument for the Commissioners, who are based in London, to have a relationship with the Heritage Lottery Fund, so that they can advise cathedrals around the country.

Sir Stuart Bell: The hon. Gentleman makes an important point and has highlighted an important paradox: cathedrals have never been in better condition, nor better cared for, but might soon be at risk if they cannot carry out their planned repairs. In relation to the specific point, he will recall that we had an exchange about Lichfield cathedral's application to the Heritage Lottery Fund for funding for a scheme to improve visitor facilities. Colleagues at Church House supported the application, but unfortunately a ballot was held in which Lichfield cathedral was unsuccessful. However, his point about the centrality was well made, and I shall take it back to Church House.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

National Audit Office

7. **John Robertson** (Glasgow, North-West) (Lab): Whether the Public Accounts Commission has discussed with the Comptroller and Auditor General the prospects for cost savings at the National Audit Office. [301671]

Mr. Austin Mitchell (Great Grimsby): I have been asked to reply on behalf of the Public Accounts Commission, which took evidence on 20 October on the National Audit Office's strategy for 2010-11 to 2012-13. The NAO proposed that its net resource requirement, which was £79.3 million in 2009-10, should remain at that figure for 2010-11, and the commission agreed. The NAO is also committed to cost reductions that will reduce corporate costs by 5 per cent. per year, while streamlined processes and better use of staff resources will reduce the cost of front-line audit and assurance work by 2 per cent.

John Robertson: I thank my hon. Friend for his answer. He will agree that that came out of an evidence session; no one sat down at a table and talked about cost reductions in general. Will he relay the fact that the House would like those gentlemen and ladies to sit down, talk and work out how they can save on costs? However, that should be done amicably and everyone should have an equal place at the table.

Mr. Mitchell: The NAO reports regularly to the commission on how it proposes to make savings, and we work on a ratio of £10 in Government spending saved for every £1 spent. So far it has been agreed that cost savings will be achieved by reducing expenditure on non-essential, back-office functions, using in-house resources rather than consultants wherever possible, and introducing a standard analytical framework for value-for-money work to use staff resources better. The NAO intends to ensure that quality is maintained through its internal and external quality control processes. We, at the commission, will be keeping a close eye on that.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Vote Counting (General Elections)

8. **Mr. Andrew Robathan** (Blaby) (Con): What representations the Electoral Commission has received on the timetable for the counting of votes at general elections. [301672]

Mr. Gary Streeter (South-West Devon): The Electoral Commission has received several representations about the timing of counts at the forthcoming UK parliamentary general election. The issue has also been discussed at recent meetings between the commission and individual

Members of Parliament and with representatives of the BBC. The commission has written to all returning officers asking for information about when they intend to begin counting in the general election. As of 13 November 2009, it had received responses from 429 out of 650 constituencies, of which 225 will begin their count on polling day and 48 the day after. Some 156 were undecided. Details of responses received by constituency are available on the commission's website.

Mr. Robathan: I am grateful for that response and glad that the Electoral Commission is considering the matter carefully. The truth is that Parliament and politics are less popular and of less interest than they used to be. If we are to forgo the count on the evening of polling day, people will not even have a Government the next day. We must have a count as soon as possible afterwards, and I hope that my hon. Friend will take that as a representation.

Mr. Streeter: I do receive that as a representation. My hon. Friend knows that returning officers, whose role is independent in statute, make the final decision about when a count is held. The Electoral Commission's foremost concern is that the count be accurate and the voters have confidence in the result, but my hon. Friend's representations are certainly well received.

Andrew Miller (Ellesmere Port and Neston) (Lab): It is extremely rare that I find myself in agreement with the hon. Member for Blaby (Mr. Robathan), but he refers to part of the tradition of our system. Although it is impractical in a handful of constituencies, will the hon. Member for South-West Devon (Mr. Streeter) press the Electoral Commission to encourage returning officers to hold counts on the night of the election?

Mr. Streeter: The Electoral Commission does not look to influence the decision of returning officers, and the hon. Gentleman knows that the requirement to check signatures and dates of birth on postal voting statements accompanying postal ballot papers is the issue that has arisen about the forthcoming general election. Naturally, the commission will look at the outcome of the next general election and the processes, and make appropriate representations after that.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Assisted Suicide

11. **Mr. Mark Harper** (Forest of Dean) (Con): What discussions she has had with the Director of Public Prosecutions on his interim policy for prosecutors on assisted suicide. [301675]

The Solicitor-General (Vera Baird): After the House of Lords required the DPP to produce his interim policy for prosecutors on cases of assisted suicide in July, my office was consulted by him, as is appropriate for a superintendent Department. The DPP's interim policy is now the subject of public consultation and a final policy will be issued next year.

Let me emphasise that all cases alleging assisted suicide are assessed on their facts and merits.

Mr. Harper: I am grateful for that answer. One of the things that concerns me about the DPP's interim guidance is that serious disability is one of the factors that he will consider in assessing whether a prosecution is not in the public interest. I wonder about the message that that sends out to people with a disability about the extent to which we want a society that helps them live independently and gives them a good quality of life rather than encourages them to take their own lives.

The Solicitor-General: I cannot for one minute think that any innuendo of that kind could be appropriately drawn. The court asked the DPP effectively to list, as a policy, all the factors that were capable of being taken into account. That is as far as the reference to disability goes. It would probably be odd to leave out disability caused by, for example, life-limiting illness in a case of someone assisting a suicide. The cases are complex and sensitive, but no innuendo such as that suggested by the hon. Gentleman could possibly be drawn. The DPP is consulting publicly to try to get every factor and to balance them. As the hon. Gentleman well knows, it was not the DPP's wish to produce any guidelines. Let me emphasise again that each such case, when it arises, will be considered carefully on its merits.

Rob Marris (Wolverhampton, South-West) (Lab): The Judicial Committee in the House of Lords put the DPP in an invidious position in asking him to declare the law. That is a matter for Parliament, not the DPP. Do the Government have any plans in the near future to revisit section 2 of the Suicide Act 1961?

The Solicitor-General: No, we do not. My hon. Friend is right that the law has not been changed.

Bribery Bill

12. **John Barrett** (Edinburgh, West) (LD): What recent discussions she has had with the Attorney-General on the implications of the proposed Bribery Bill for the role of the Attorney-General. [301676]

13. **Malcolm Bruce** (Gordon) (LD): What recent discussions she has had with the Attorney-General on the implications of the proposed Bribery Bill for the role of the Attorney-General. [301678]

The Solicitor-General: The Bribery Bill will no longer require the consent of the Attorney-General or the Solicitor-General before a prosecution for an offence under the measure can start. Instead, it will require the consent of the director of the relevant prosecuting authority. The Bill does not alter the role of the Attorney-General in any other way.

John Barrett: I thank the Solicitor-General for that answer, but what can she do to assure the House that never again will the Government use bogus reasons for not proceeding with Serious Fraud Office offences? I simply mention the murky BAE Systems-Saudi arms deal.

The Solicitor-General: I suppose precedent would be a help because there never has been such behaviour by the Government. I remind the hon. Gentleman of what the House of Lords said about the decision. First, it made it clear that the director of the SFO, not any member of the Government, made the decision. It was also clearly stated: that

"It may indeed be doubted whether a responsible decision-maker could, on the facts before the Director, have decided otherwise".

Malcolm Bruce: This is a problem for the Government—and, indeed, for the House and the country. I engaged with the OECD investigation into bribery, in which it said that

"systematic deficiencies... make clear the need to safeguard the independence of the SFO".

How will that happen if reform of the Attorney-General's power does not take place?

The Solicitor-General: The only power would be a power to use a direction in a case where national security was at stake. There is a process to go through before that happens. It has not happened for many, many years. Normally what would happen, even in a case where national security was at a premium, is that the director would take it into account when evaluating the public interest.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does the Solicitor-General believe that the proposed Bribery Bill would deal with the Leader of the Opposition's promise to make amendments to the inheritance tax regime which will benefit only the people on his Christmas card list?

The Solicitor-General: I do not know that much about the Leader of the Opposition's Christmas card list.

Mr. Speaker: That is as well—let me say to the hon. and learned Lady that its relationship with questions 12 and 13 is, at best, I think, opaque.

David Howarth (Cambridge) (LD): The Solicitor-General seems to have missed the point that my right hon. Friend the Member for Gordon (Malcolm Bruce) was making—that because all reform of the Attorney-General's office has been removed from the Constitutional Reform Bill, the power of the Attorney-General to superintend in general the prosecutions put forward by the directors has been left unaffected. Has the Solicitor-General received any guidance, information or assurance from the OECD that it is satisfied with the arrangements that will now be in place, because if she has not, the lack of independence of the directors will continue to be a blot on the reputation of this country and may leave British business in a very difficult position?

The Solicitor-General: The hon. Gentleman really does not live in the real world. He should try telling Richard Alderman or Keir Starmer that they are not independent: they are extremely independent individuals, and rightly so. There is a detailed protocol, which I commend to the hon. Gentleman, so that he can understand this area rather better than he appears to do now. The superintendence function has specifically been cast into a protocol to make its limits very clear. Our current law complies with the OECD convention, which the OECD makes very clear.

Mr. Edward Garnier (Harborough) (Con): Why does the Solicitor-General propose a difference between the function of the Attorney-General on extra-territorial crime under the Bribery Bill and on other offences committed overseas?

The Solicitor-General: So far as I am aware—it is not my Bill, but a Ministry of Justice Bill—the recommendations of the Joint Committee have played a role there. I am obviously answering on behalf of the prosecution departments today, as I always do, but a good deal of note has been taken of what the Joint Committee said, and that was its position.

Transnational Bribery

14. **Hugh Bayley** (City of York) (Lab): What plans the Government have for legislation to amend the law on transnational bribery; and if she will make a statement. [301679]

The Solicitor-General: The Bribery Bill, already referred to, will provide a modern and comprehensive scheme of bribery offences to equip the prosecutors and the courts to deal effectively with bribery both at home and abroad.

Hugh Bayley: When I introduced my draft International Bribery and Corruption Bill in February 1998, it was opposed by the hon. Member for Lichfield (Michael Fabricant), who sits on the Conservative Front Bench today, and who described it as "fundamentally naïve". Has my hon. and learned Friend discussed the Bribery Bill with the Opposition Law Officers and will they now support it?

The Solicitor-General: I do not think there is anything fundamentally naïve about this Bill. At first sight, it looks as if the Bill is going to hit the spot and will be much more modern, clearer and less fragmented than what applies currently. Whether the Opposition will support it, I do not know. It will be introduced in the other place by my noble Friend Lord Bach, and when it comes here it will be dealt with by the Under-Secretary of State for Justice, my hon. Friend the Member for Watford (Claire Ward), who I have no doubt at all will have conversations with the Opposition. May I congratulate my hon. Friend the Member for City of York (Hugh Bayley), who has had a long-term interest in this issue and has focused primarily on ensuring that bribery and corruption go out of overseas development funding? I hope that he will be pleased with the Bill when it comes through.

Mr. Peter Bone (Wellingborough) (Con): Has the Solicitor-General had representations about alleged systematic bribery in overseas offices by entry clearance officers, allowing people effectively to buy visas to enter this country?

The Solicitor-General: No, I have not, although I have read, as I am sure the hon. Gentleman has, about some suggestions along those lines. When they are brought to the attention of the authorities, they will, of course, be taken very seriously.

Pro Bono Work

15. **Mr. David Amess** (Southend, West) (Con): What assessment she has made of the effectiveness of her policy on raising awareness of pro bono work. [301680]

The Solicitor-General: Our eighth national pro bono week, which is dedicated to raising awareness of pro bono work, took place two weeks ago. The number of activities increased to 128 from 82 a year before. The Attorney-General and I hold a pro bono reception to showcase such work to MPs, and we have introduced a guide to pro bono, which we have distributed to every MP. That guide informs MPs about sources of pro bono work in their constituencies, so that, if they cannot handle a problem, they can contact a lawyer who can help.

Mr. Amess: As Members of Parliament, we have constituents who come to our surgeries with legal problems, and we try to get them legal aid and access to pro bono, which is not easy. Why has access to justice become so expensive under Labour?

The Solicitor-General: I do not think that it has. I receive the same sort of inquiries, and I can usually find a local lawyer to help if I cannot deal with the matter myself. If the hon. Gentleman looks at the guide to pro bono, he will find many networks that have local membership. Therefore, people can get something pretty close to their needs pretty quickly.

Mr. David Drew (Stroud) (Lab/Co-op): As the processes of the Infrastructure Planning Commission get under way, has my hon. and learned Friend had discussions with the Department for Communities and Local Government about ensuring that individuals and communities have access to proper legal advice?

The Solicitor-General: I have not had such discussions, but I understand the nature of the issue. From general knowledge, I am aware that some bodies help with planning applications, so I am sure that citizens will be able to find assistance if they want to be represented.

Mr. Christopher Chope (Christchurch) (Con): Does the Solicitor-General accept that de facto pro bono work has increased substantially as a result of the Government's restrictions on the level of legal aid fees available to members of the Bar?

The Solicitor-General: No, the number of acts of legal assistance has increased significantly through the reorganisation of the legal aid system. For instance, there were 2.5 million acts of assistance in the last year but one, and 2.9 million this year, and they have increased in both the civil and criminal areas. Pro bono is in addition to all the work done under legal aid, and it is an important part of a lawyer's experience and training. As with most volunteering, it is good not just for the recipient but for the person who does it.

Prosecution Policy (Burglaries)

16. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When she next expects to meet the Director of Public Prosecutions to discuss prosecution policy in respect of burglaries. [301681]

The Solicitor-General: We have frequent and regular meetings with the DPP, and we discuss a range of issues. If there were particular concerns about prosecutions for burglary—perhaps the hon. Gentleman has some to raise—we would talk to the DPP about them, but under the terms of the protocol to which I have alluded between the Attorney-General and prosecution departments. In 2008-09, the Crown Prosecution Service conviction rate for burglary was 87.1 per cent. nationally, and 91.3 per cent. in Norfolk.

Mr. Bellingham: I am pleased to hear that, but does the Solicitor-General share my view that burglaries are invariably incredibly traumatic, and often lead to dreadful scars that last many years and tear families apart? Does she agree that as long as there is sufficient evidence to prosecute, burglaries should always be prosecuted through the courts, and never dealt with by out-of-court procedures such as cautions or penalty notices for disorder?

The Solicitor-General: I agree with the hon. Gentleman completely. I imagine that he refers to dwelling-house burglaries, which can be extremely injurious to the people who suffer them. There is an annexe to the DPP's guidance on when to use conditional cautions, and burglary is not included among the offences for which they should be used.

Fiona Mactaggart (Slough) (Lab): Yesterday, I had a meeting with Slough Town Against Crime, which is an alliance of shops, police officers and public bodies. One of the participants suggested that prolific shoplifters who have been barred from shops and have shoplifted again ought to be prosecuted for burglary. Will the Solicitor-General raise that matter with the DPP, as it would be a practical way of tackling the appalling problem of prolific shoplifting, which is blighting Slough town centre?

The Solicitor-General: This is an old, knotty problem in the law. In order to be a burglar, someone must enter as a trespasser. There have been prosecutions when people have gone from the public side of a shop to the private side, behind the counter. That has been deemed to be entering as a trespasser, and I can see an analogy with the case cited by my hon. Friend. I think that the local chief Crown prosecutor would have to examine each case in order to make a sensible decision, but my hon. Friend's idea does have merit.

Domestic Violence

17. **Mr. Graham Allen** (Nottingham, North) (Lab): If she will meet the stronger families project in Nottingham to discuss means of increasing the rate of prosecution in domestic violence cases. [301682]

The Solicitor-General: I should be very happy to look at that very good early-intervention project, whose aim is to help young children who would otherwise suffer trauma as a result of their experiences of domestic violence.

As I am sure my hon. Friend knows, we continue to work to improve prosecution performance in this area. The number of domestic violence prosecutions undertaken by the Crown Prosecution Service has risen from nearly

35,000 in 2004-05 to nearly 68,000 now, and the proportion of successful cases has risen from 55 per cent. to 72 per cent. over the same period.

Mr. Allen: The perpetrators of domestic violence include a high percentage of cowards and bullies, even in comparison with the perpetrators of other criminal offences. Those two groups are particularly susceptible to a strong, clear message from Government about the consequences of their actions, but the performance indicators in the local area agreement relating to domestic violence have been dropped, and there has been a resulting drop in detection in the Nottingham area. Will my hon. and learned Friend emphasise once again how important the Government consider this offence, and will she consider again the possibility of restoring the performance indicators?

The Solicitor-General: I cannot emphasise too strongly how important the Government consider prosecuting domestic violence. My hon. Friend was good enough to tell me that he was worried about the removal of the sanction detection count rate, and about the possibility that it had had a bad effect on arrest rates. I have looked into the matter for him, and have established that although sanction detection rates are no longer a target, they are still counted in Nottingham. The figures that I have found do not quite agree with those that he has given. As there is no offence of domestic violence, it is quite difficult to quantify it in the terms to which he has referred. However, if he is not satisfied with my answer, I shall be happy to meet him, and I should also be very pleased to visit Nottingham.

Crown Prosecution Service

18. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent assessment she has made of the effectiveness of the Crown Prosecution Service. [301683]

The Solicitor-General: Her Majesty's Crown Prosecution Service inspectorate assesses the effectiveness of the CPS, and reports on a wide range of operational issues. The Director of Public Prosecutions and the chief executive of the CPS engage in regular area performance reviews with their chief Crown prosecutors, and a series of monitoring and evaluation reports are produced. The CPS performance reports on violence against women and on hate crime are due to be published soon.

Mr. Evennett: Was the Solicitor-General not rather disappointed to read a recent report by Her Majesty's CPS inspectorate which found that nearly a third of 367 advocacy assessments were rated lacklustre, less than competent or very poor? Has the CPS given her any indication of how it will improve its standards in future?

The Solicitor-General: I do not know how that advocacy compares with other kinds of advocacy. Those ratings apply only to the CPS. They should be compared with those applying to the Bar and to defence lawyers to establish whether they are any less lacklustre. However, I take the hon. Gentleman's point, and I will keep my eye on the position.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Is the Solicitor-General satisfied that the Crown Prosecution Service—engaging in discussions with the police—can get a grip on the problem of the mistaken use of out-of-court disposals, given the importance of ensuring that the interests of justice and, indeed, the needs of victims are satisfied, and that appropriate measures have been taken?

The Solicitor-General: The right hon. Gentleman has raised an important issue. I am aware of at least one chief Crown prosecutor who has already started to make representations about what he regards as the overuse of fixed penalty notices when he feels prosecutions would be appropriate. We should perhaps also have regard to the overuse of taking offences into consideration. I am confident that the CPS will play a full role in examination of the position.

Miss Anne McIntosh (Vale of York) (Con): Does the Solicitor-General not share my concern, which is also shared by the Justice Secretary, that there are too many out-of-court settlements and fixed penalty notices for the crime of shoplifting? I might also ask why the hon. Member for Slough (Fiona Mactaggart) did not support my Bill in the previous Parliament, as it would have benefited her constituency.

The Solicitor-General: I cannot comment on the use of out-of-court settlements in particular cases, but I know that the hon. Lady has been very concerned about this matter for some time. Clearly, systematic shoplifting should be prosecuted, although perhaps the occasional instance should not. I know that the hon. Lady agrees that there needs to be a proper balance. My hon. Friend the Member for Slough (Fiona Mactaggart) has raised a very interesting point that would add gravity to this: the threat of prosecuting systematic shoplifters for the higher-sentence offence of burglary, rather than for theft.

LEADER OF THE HOUSE

The Leader of the House was asked—

Modernisation Committee

20. **Mr. Andrew Robathan** (Blaby) (Con): When she next plans to arrange a meeting of the Select Committee on the Modernisation of the House of Commons. [301685]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): Modernisation of the House is taken forward in a number of ways. The parliamentary reform Committee, chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright), is the most recent development, and it has now reported. The Procedure Committee also looks at ways of reforming the House. I am sure that the hon. Gentleman agrees that all that is important work.

Mr. Robathan: What the House of Commons desperately needs is sensible and considered reform. When this Government came into office in 1997, they set up the

Modernisation Committee, under the cloak of which they have severely restricted the ability of the House of Commons to hold the Executive to account and, furthermore, have stopped us scrutinising legislation properly. Will the Government now scrap the Modernisation Committee, which has not met for over a year, and give us a proper opportunity, through making time available in the House of Commons, to debate the Reform of the House of Commons Committee report that has just been published?

Barbara Keeley: I do not agree with the hon. Gentleman. The Modernisation Committee has achieved a number of things that have all helped with House scrutiny.

Mr. Robathan: Name them.

Barbara Keeley: The commitment to more draft Bills, earlier sittings on Thursdays, sittings in Westminster Hall—*[Interruption.]* Select Committee reports can be debated in Westminster Hall. Deferred Divisions—

The Leader of the House of Commons (Ms Harriet Harman): Topical debates.

Barbara Keeley: Yes, topical debates. For Select Committees, there has been the introduction of core tasks and the creation of the Scrutiny Unit. For oral parliamentary questions, notice has been reduced so that they are more topical. There are also earlier sittings, the carry-over of Bills, the connecting of Parliament with the public and Public Bill Committee evidence-taking. I rest my case.

Mr. Ian McCartney (Makerfield) (Lab): A Justice Department Bill is due to come before the House in early January. Can my hon. Friend give me a commitment that the compensation scheme for the victims of Mumbai, Sharm el-Sheikh, Bali and other terrorist incidents, which was promised by the Prime Minister and other colleagues and which the Government were supposed to put in the Queen's Speech, will be included in the Bill?

Mr. Speaker: Order. As always, the right hon. Gentleman's ingenuity is to the fore, but the relationship between that question and the question on the Order Paper is at best tangential, and at worst non-existent, so I suggest it is not answered.

Sir Nicholas Winterton (Macclesfield) (Con): As the longest-serving member of the Modernisation Committee in this House, and as a past Chairman of the Procedure Committee, may I ask the Deputy Leader of the House whether she thinks it is time for the Modernisation Committee to meet again, not least to discuss the proposals in the Reform of the House of Commons Committee report, bearing in mind that many of them originated in the Modernisation Committee under the inspired leadership of the late Mr. Cook?

Barbara Keeley: The hon. Gentleman put a question to me on this matter some weeks ago. As he has said, there is a continuum of modernisation. On that earlier occasion, I said that we would bring forward our proposals to establish a new Committee on parliamentary reform. It was established, it has reported, and we are now considering its proposals.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree, however, that we need to discuss the report of the Committee chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright), and that we also need quickly to secure cross-party agreement to introduce the reforms before the next election? We must do this quickly.

Barbara Keeley: Of course the House will need to debate the report and come to a decision on any changes, but we should reflect on the fact that the report was published only two days ago.

Mr. Greg Knight (East Yorkshire) (Con): The Minister has acknowledged that although the Modernisation Committee has not met for some time, the process continues. Can we therefore have an early opportunity to make a decision on the Procedure Committee's report on the principle of electing our Deputy Speakers?

Barbara Keeley: Recommendations have been made on that and are being considered.

Mr. David Drew (Stroud) (Lab/Co-op): Having served on the Modernisation Committee, the Procedure Committee and, more recently, the parliamentary reform Committee, may I say that it makes eminent sense for the Modernisation Committee to be rolled into the Procedure Committee and for us to bolster the powers of that Select Committee, which has done valiant work and could do so even more?

Barbara Keeley: I do not think that I can add to what I have said on that matter.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): That is very disappointing, because a lack of urgency is being shown by those on the Government Benches, given just how little time is left to make these reforms stick before the end of this Parliament. The Modernisation Committee was a great betrayal, because it was meant to bring forward reforms to improve the accountability of Parliament. The promise was that we would get proper management of the business throughout the year in return for the programming of Bills, but instead we have just had guillotines by the back door. Many of the reforms that the Minister talked about have come from the Procedure Committee. It should be left to get on with reforming the procedures of this House and the Government should make clear how much urgency will go into ensuring that these reforms are introduced.

Barbara Keeley: I have said that we are expecting to have a debate and to come to decisions about any changes on which we need to proceed. A great deal of work is going on in this place; I have read out a number of the things for which the Modernisation Committee was responsible, and a great deal of consideration is being given at the moment to reform.

Expenses and Allowances

21. **Mr. Mark Harper** (Forest of Dean) (Con): Whether she plans to bring forward proposals for legislation to implement recommendations contained in the report on MPs' expenses and allowances from the Committee on Standards in Public Life. [301686]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): The Government have accepted the recommendations in the Committee's report and will bring forward any legislation that may be necessary to implement them.

Mr. Harper: I note that answer, but it is rather unspecific. The Kelly report contains specific proposals that require primary legislation, so can the Deputy Leader of the House give us any more detail about when those specific measures will be brought forward, given that relatively few sitting days are left before the end of this Parliament and therefore it will not be able to introduce some of those measures if she does not get a move on?

Barbara Keeley: We are in discussion with the Independent Parliamentary Standards Authority and the Committee on Standards in Public Life about what legislation is necessary. When we reach agreement as a result of that discussion, we will introduce the necessary measures.

Parliamentary Questions

22. **Mr. Andrew Turner** (Isle of Wight) (Con): What steps she is taking to ensure that hon. Members' parliamentary questions are answered by Ministers in as full a manner as possible. [301687]

25. **Mr. Philip Dunne** (Ludlow) (Con): What steps she is taking to ensure that hon. Members' parliamentary questions are answered by Ministers in as full and timely a manner as possible. [301690]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): My right hon. and learned Friend the Leader of the House has today responded to the Procedure Committee report on written parliamentary questions. That response sets out how the Government plan to improve the quality and timeliness of answers to written parliamentary questions.

Mr. Turner: Which Minister did the Deputy Leader of the House admonish for tardiness most recently, and have things got better since she intervened?

Barbara Keeley: The hon. Gentleman is talking about a very recent meeting with a Minister from the Department for Work and Pensions. As it took place only very recently, we would not be expecting that quick a recovery to have been made, but we hope for an improvement.

Mr. Dunne: I note the Minister's comment about the production of the report. Does it include a league table of the quality, timeliness and performance of Departments? If not, why not?

Barbara Keeley: The Government have accepted the following recommendations: that there should be regular monitoring of the number of questions answered later than the answering period of five days; that better guidance should be provided for Ministers and officials on answering questions; and that further work should be done by the Procedure Committee on challenging unsatisfactory answers. It certainly is a good idea to list performance by Department so that people can see that.

Mr. Nigel Dodds (Belfast, North) (DUP): As well as the admonishment referred to by the hon. Member for Isle of Wight (Mr. Turner), are the Government considering any sanctions that would deal with the issue of questions that are not answered in a timely or substantive way?

Barbara Keeley: It is a question of transparency monitoring and reminders at this stage. We have also recently published guidance on answering written questions in a guide to parliamentary work that is published on the Cabinet Office website. There has been a great amount of activity in guidance, monitoring and transparency and we hope that that will do the trick.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): In June, I raised the issue of inadequate answers to written questions, because the practice was simply to refer to information being available in the House Library. The then Deputy Leader of the House, the hon. Member for Rhondda (Chris Bryant), said that he would write to every Minister to ensure that that practice did not continue. However, since then matters have not changed, as Members on both sides of the House will confirm. In fact, I have received five replies that conform to the old practice.

For example, a reply on carer's allowance on 7 July from the Under-Secretary of State for Work and Pensions, the hon. Member for Chatham and Aylesford (Jonathan Shaw), simply said:

"The information has been placed in the Library."—[*Official Report*, 7 July 2009; Vol. 495, c. 740W.]

Again, a reply on 12 October from the Under-Secretary of State for Communities and Local Government, the hon. Member for Dudley, North (Mr. Austin), simply said:

"A set of tables containing the information requested has been placed in the House Library."—[*Official Report*, 12 October 2009; Vol. 497, c. 356W.]

That is not acceptable. Rather than simply going to a Committee and giving evidence, as she has just mentioned, will the Deputy Leader of the House have stern words with her colleagues and ensure that we receive the proper information, particularly on behalf of members of the public who do not have the easy access to the Library that Members have?

Barbara Keeley: It was not me who gave the evidence to the Committee, but my predecessor. I have quite recently had a meeting with an individual Minister and officials, when I used very stern words; I am prepared to do that. I am always happy to consider individual cases. If the guidance that my predecessor set out has not been followed, I would be very happy to take up the cases that the shadow Deputy Leader of the House has raised. Let me reiterate that the Government's recent

response to the Procedure Committee's report supports further work on challenging unsatisfactory answers. I shall take that forward and I hope the Procedure Committee will decide to do so, too.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Microphones (Chamber)

23. **Michael Fabricant** (Lichfield) (Con): If the House of Commons Commission will take steps to install additional microphones for the use of hon. Members who are unable to stand when speaking in the Chamber; and if he will make a statement. [301688]

Nick Harvey: The Commission is very sympathetic to the requirements of Members who are unable to stand when addressing the House and whose words might therefore not be heard fully. I have therefore asked the relevant officials to investigate having microphone coverage throughout the Chamber. From the information available, I understand that the improvement sought by the hon. Gentleman should be possible, although significant physical work might be needed in the Chamber. I shall of course inform him and the House when the full investigation is complete.

Michael Fabricant: I am grateful for that answer. We have at least two colleagues in this Chamber who find it impossible or difficult to stand. They speak with clarity of mind and voice, yet listeners and viewers at home often cannot hear them clearly because of the positioning of the microphones. We all look forward to receiving an update on precisely when that information, and the microphones, will be provided.

Nick Harvey: I agree entirely with the hon. Gentleman. A range of options might be possible. They are being investigated at the moment and once the best option is identified I am sure that we will be ready to crack on and do it

LEADER OF THE HOUSE

The Leader of the House was asked—

Programming (Bills)

24. **Mr. Peter Bone** (Wellingborough) (Con): How many clauses of Bills were not debated as a result of the provisions of programme orders in the 2008-09 Session. [301689]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): All parts of a Bill are subject to parliamentary scrutiny at all stages of its passage. In many cases, Bills also undergo pre-legislative scrutiny. Elements of a Bill that are not debated in detail at one stage may clearly be considered at another stage and, in any event, may be divided on. It is therefore difficult to say with certainty which clauses of a Bill were not considered at all as a result of programming, but in Public Bill Committees no clauses were not reached for debate.

Mr. Bone: Is the Deputy Leader of the House not totally embarrassed by that answer?

Barbara Keeley: No, I am not. The important thing is the last point that I made—that, in Public Bill Committees, there were no clauses that were not reached for debate.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will the hon. Lady give thought to the suggestion from the noble Lord Rooker that, when a Bill has been inadequately discussed or not discussed at all in this place, a certificate should accompany it when it is sent to the other place? In that way, the other place can know which parts of the Bill have not been discussed or need to be discussed more fully.

Barbara Keeley: Many of the things that we are talking about this morning in respect of reforming how Bills progress through the House are under consideration at the moment, but I do not think that there is anything specific on that particular recommendation. However, the other place knows how much debate on a Bill there has been here, so the process that has been described does tend to happen anyway.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Deputy Leader of the House should know that Government new clauses and amendments are not discussed in Public Bill Committees—clearly they cannot be, because they are moved after that stage. The Library has told me that, on four Bills alone, nearly 200 amendments, including 50 Government new clauses and amendments, were not scrutinised. Does she accept that we cannot go on like this? The Wright Committee has set out a way to avoid the problem so that we do not have to demonise Government and the Government do not have to infantilise Members of this House.

Barbara Keeley: We have had a number of exchanges this morning about the Reform of the House of Commons Committee. We have had the Committee's report for two days, and we will be considering the recommendations in it that relate to the hon. Gentleman's question.

Select Committee Reports

26. **Mr. David Amess** (Southend, West) (Con): What plans she has to allow more time for consideration of Select Committee reports by the House. [301691]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): The Government have already created additional opportunities for debating Select Committee reports by establishing sittings in Westminster Hall. That provided an extra 52 hours of debating time for Select Committee reports in 2008-09. I should like to remind the House that the Government will always consider requests from Select Committees for a tag on the Order Paper for any Government business that may be relevant to their work.

Mr. Amess: The Minister knows perfectly well that, since we have had a Labour Government, it has been practically impossible to scrutinise anything other than through the Select Committee procedure. Will she now agree with my right hon. Friend the Member for North-West Hampshire (Sir George Young) and give more time to debating Select Committee reports on the Floor of the House?

Barbara Keeley: It is always open to the Chairs of Select Committees to ask for a topical debate when they produce a report, given that such reports are often topical. That would be a way to give more time to Select Committee reports, over and above the extra sitting hours and days that arise from debating them in Westminster Hall.

Mike Penning (Hemel Hempstead) (Con): When Select Committee reports come before Westminster Hall, they are very often timetabled in a way that makes proper debate impossible. The most recent Health Committee report came before us right on the edge of Prorogation: instead of having a proper three-hour debate on inequalities in health, we had to try to work out when the House was going to rise. We lost half of our debate because of Prorogation and we did not have enough time, so is it possible to bring the report back for further consideration?

Barbara Keeley: As I have just said, it always open for Select Committee Chairs to ask for topical debates. If a debate is unfortunately chopped about because of voting around Prorogation, I am sure that the Leader of the House would be open to looking at that.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Energy Efficiency (House of Commons)

27. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What steps the House of Commons Commission plans to take to improve the energy efficiency of buildings on the House of Commons part of the parliamentary estate. [301692]

Nick Harvey (North Devon): In the last 18 months, the House service has reconfigured building management systems and installed new remote energy meters and kitchen ventilation and lighting controls as well as energy-efficient lighting and movement sensors. It has also initiated an IT upgrade and a server virtualisation programme, and begun an insulation trial as part of the cast-iron roof project. An estate-wide environmental assessment is currently under way to identify future options, which include further building management system changes, voltage optimisation, draught-proofing and behaviour-change programmes. That will allow for a challenging but realistic environmental target, supported by an action plan to be set before the House in 2010.

David Taylor: Like hundreds of colleagues, for nine years I have had the pleasure and privilege of working in the superb surroundings of our fine and iconic building, Portcullis House. Sadly, it has the lowest possible band G energy performance rating of 203. What is the Commission doing to ensure that buildings on the parliamentary estate rise up league tables to become public sector exemplars to the commercial and industrial sectors?

Nick Harvey: The Management Board recognised in 2007-08 that there was a need for improvement in the House's environmental performance. A new post of head of environment was filled on 31 December 2008, and the aim since then has been to lay foundations for Parliament to make an improvement, and a good-practice gap analysis has been undertaken. As I said, that will result in a comprehensive plan being brought before the House in 2010.

Mr. Andrew Mackay (Bracknell) (Con): Notwithstanding the comprehensive list that the hon. Gentleman has just read out, it seems to many of us in the Palace of Westminster that when the weather is uncharacteristically warm outside it becomes even hotter inside. Most of us have something in our homes called a thermostatic control. Could that not happen here, and save the taxpayer a lot of money?

Nick Harvey: I assure the right hon. Gentleman that there are thermostatic controls in the Palace of Westminster and in Portcullis House, although it would be fair to acknowledge that they are not always hugely efficient.

Hugh Bayley (City of York) (Lab): A few weeks ago when the House of Commons Commission considered the proposal of the 10:10 campaign that the House should cut its carbon emissions by 10 per cent. in 2010, it was decided—sadly—that it was impractical. Was that decision taken by consensus among all members of the Commission from all parties, and did the Commission receive any representations from the right hon. Members for Witney (Mr. Cameron) or for Sheffield, Hallam (Mr. Clegg), who proposed to the House two days later that 10:10 should be supported?

Nick Harvey: The Commission received a variety of representations but felt that it was not possible honourably to commit the House to doing something in the course of 2010 that we could not be confident of achieving. As I have already indicated, we are determined to make improvements way beyond that, but we cannot guarantee doing so during the calendar year 2010.

Business of the House

11.31 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us next week's business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be:

MONDAY 30 NOVEMBER—Second Reading of the Financial Services Bill.

TUESDAY 1 DECEMBER—Motion to approve European documents relating to financial services, followed by a general debate on fisheries.

WEDNESDAY 2 DECEMBER—Remaining stages of the Equality Bill.

THURSDAY 3 DECEMBER—A general debate on European affairs.

The provisional business for the week commencing 7 December will include:

MONDAY 7 DECEMBER—Second Reading of the Energy Bill.

TUESDAY 8 DECEMBER—Opposition Day [1st Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

WEDNESDAY 9 DECEMBER—Statement on the pre-Budget report, followed by remaining stages of the Child Poverty Bill.

THURSDAY 10 DECEMBER—Estimates Day [1st allotted day]. There will be a debate on students and universities and a debate on the relationship between central and local government. Details will be given in the *Official Report*.

[The details are as follows: Students and universities; 11th Report of the Innovation, Universities, Science and Skills Committee of Session 2008-09 HC 170; Government Response—8th Special Report of Session 2008-09, HC 991. The Balance of Power: Central and Local Government; 6th Report form the Communities and Local Government Committee of Session 2008-09, HC33; Government Response—Cm 7712.]

At 6 pm the House will be asked to agree all outstanding estimates.

I should also like to inform the House that the business in Westminster Hall for 10 December will be:

THURSDAY 10 DECEMBER—A debate from the Work and Pensions Committee on tackling pensioner poverty.

Sir George Young: I am grateful to the Leader of the House for giving us the forthcoming business.

Today there is a written statement from the Secretary of State for Communities and Local Government on the local government finance settlement for next year. Last year, as in most years, there was an oral statement on the Floor of the House, allowing us to question the Minister on behalf of hard-pressed council tax payers in our constituencies. Why has that convention been broken for the last settlement before an election?

Will the Leader of the House confirm that there will be a debate after the pre-Budget report on 9 December? Given the delicate state of the UK economy, does she not think that the House has a right to debate the Chancellor's plans?

Pursuant to the answers we have just heard, will the Leader of the House give a clear indication of when she expects to find time for the House to debate and vote on the recommendations of the Wright Committee—the Committee on Reform of the House of Commons? Unlike the right hon. and learned Lady, I welcomed the report when it was published, particularly since many of the ideas reflected what the Opposition had already proposed. In written evidence to the Committee in July, she said that she wanted a quick report

"so that the proposed reforms can be considered for implementation early in the next Session."

I share that enthusiasm, so can we expect to have a debate and votes on the proposals before the end of January?

I see in the future business set out in today's Order Paper that the right hon. and learned Lady has tabled a motion on the appointment of the chairman and other members of the Independent Parliamentary Standards Authority. Given the speed with which we need to move if we are to get the authority up and running, will she give time next week for that debate?

Will the right hon. and learned Lady give a statement on the timetabling of her Equality Bill? Yesterday, on a point of order, my hon. Friend the Member for Forest of Dean (Mr. Harper) noted that her Bill will have only one day on Report, despite the size of the legislation and the number of amendments, excluding Government amendments, that have already been tabled. The right hon. and learned Lady has given several promises to the House that her Bill will provide an exemplar of good scrutiny; we would expect nothing less from the parliamentarian of the year. Will she give an assurance that she will translate her fine words into action?

May I repeat my call for a stand-alone debate in Government time on Afghanistan? Yesterday, the former head of MI6, Sir Richard Dearlove, accused the Prime Minister of

"squeezing the defence budget for approximately eight years."

The right hon. and learned Lady has said on several occasions that she recognises the need to find time for a debate on Afghanistan. As Downing street has briefed that a decision from President Obama on troop levels is imminent, will she promise to ensure that the House has an early opportunity to discuss the implications of that decision for our forces on the ground?

Finally, may I ask once again when the right hon. and learned Lady will give us the date of the Easter recess? She said last week that it would be announced "in the usual way". If that is the case, why did she not do it in the usual way when she gave us the date of the Christmas and February recesses more than four weeks ago? Is her reluctance to announce the date in any way related to the careless whisper from the Home Secretary, who this week betrayed his fears that next year's poll would be

"a watershed election, à la 1945, à la 1979, more so than 1997"?

Does the right hon. and learned Lady share those anxieties, or is she made of tougher stuff than the Home Secretary?

Ms Harman: The right hon. Gentleman asked about the written ministerial statement on the local government settlement. He will know that I have announced the date of the pre-Budget report; all the issues can be raised when the Chancellor is at the Dispatch Box on the occasion of the pre-Budget report.

The right hon. Gentleman asked when the pre-Budget report, which will be the subject of a statement, can be debated. I know that the House is concerned to ensure that we have a weekly opportunity to discuss the important issues of the economy and the public spending that is needed to support the economy as it comes out of recession and into recovery. I judge that the fiscal responsibility Bill, which will shortly have its Second Reading, will offer an opportunity to debate all the issues that arise on the pre-Budget report.

The right hon. Gentleman asked about the Wright Committee. I pay tribute to and thank all the hon. Members who have served on that Committee; they have done a very good and thorough job. Of course the House will need to debate the report. I remind the right hon. Gentleman that it was we who brought a motion before the House that enabled it to agree to set up the Committee.

The House will need to debate the report and come to a decision on any changes arising from it. It was published only two days ago, and the Government respect its complexity and its reach. We will give it full consideration and tell the House how we propose to proceed, but I want to allay any concerns that somehow nothing has happened since 1997, and that everything remains to be done. There has been a continuous process of reform and modernisation of the House; we have brought proposals to the House, and they have been put into effect. The right hon. Gentleman is right to identify the fact that the normal time within which a debate is held in the House after such a report is two months, which would take us to the end of January.

The right hon. Gentleman also asked about the appointment of the chair and board members of the Independent Parliamentary Standards Authority. We strongly agree with him that IPSA needs to be able to get on with its work as soon as possible. There is a chair-designate and an acting chief executive; the board members have been identified by the Speaker's Committee for the Independent Parliamentary Standards Authority; a motion has been laid before the House, and we expect to debate it next week so that IPSA can get on with its very important work.

The right hon. Gentleman raised the question of parliamentary scrutiny of the Equality Bill. Following hon. Members' references to that issue on a number of occasions, I have looked very carefully into it. I would say that the Bill has received unprecedented scrutiny by the House—and rightly so. It was the subject of a report not only by the Joint Committee on Human Rights, but also by the Select Committee on Work and Pensions. There was a Public Bill Committee, in which evidence was taken from the public, and there were also many hours of debate. To make the Bill an exemplar of good practice my hon. and learned Friend the Solicitor-General, the lead Minister on the Bill, has already tabled all the amendments and new clauses that we seek to put before the House on Report. That was done yesterday, so the House has been given much more notice than usual of the issues that will come back to it for debate on Report.

It was not possible to debate in Committee one particular issue, so it will be put before the House on Report. That is the question of extending to Scotland clause 1, which gives public authorities a statutory obligation to narrow the gap between rich and poor. It covers England and was extended, by agreement, to Wales; I have had discussions with the Scottish Executive and they have now, I am glad to say, agreed that it should apply to devolved authorities as well as to reserved authorities. That is a late agreement, but with the agreement of the House we have proposed it in a new clause for discussion on Report, so I hope that hon. Members will bear with us and understand why it was not possible to introduce it in Committee.

The rest of the amendments are about crossing the t's and dotting the i's on issues about which there is no quarrel; they are just technical issues. There is an ongoing discussion about religion, freedom of speech and sexual orientation, and there have been many hours of debate on those subjects. Indeed, I know that the hon. Member for Oxford, West and Abingdon (Dr. Harris) participated in that debate. There is no final agreement on the issue, but I am satisfied that the Equality Bill will be properly scrutinised, then go to the House of Lords and, I hope, pass into law.

The right hon. Gentleman raised the question of Afghanistan, and President Obama's statement is expected next week. I know that the House will have an early opportunity to make its comments known and to raise issues on the Floor of the House after the President's statement next week.

Several hon. Members *rose—*

Mr. Speaker: Order. I remind the Leader of the House and the hon. Gentleman whom I am about to call that a very large number of Back Benchers want to contribute.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Leader of the House said that the House would have an opportunity to debate the President's statement on Afghanistan, but as she sat down she did not quite make it clear how or when that opportunity will come. It would be extremely helpful if she could clarify that point.

It should be totally unnecessary for the Opposition to ask for a debate on the pre-Budget report. The fact that other financial matters are before the House does not mean that it should not scrutinise the PBR properly.

On programming and the Equality Bill, it is the Leader of the House who introduced the new scope, involving Scotland, and the House will need to debate that. As for the chances of dealing with all the other amendments, she may think that those involve dotting the i's and crossing the t's, but it is up to this House, when scrutinising the Bill, to decide whether the i's and t's have been dotted or crossed. Will she therefore ensure that the Bill receives the proper scrutiny that she promised?

The Leader of the House says that the Energy Bill will come before the House, but why has she scheduled House business that requires the Secretary of State for Energy and Climate Change to be here when he should be in Copenhagen setting the agenda for a climate change conference deal? Why has that business been set to clash so that the Secretary of State has to be in two places at once?

Will the Leader of the House tell the House when the Flood and Water Management Bill will receive its Second Reading? My constituents experienced flooding in Stonehaven, and I know from that just how serious the

[Sir Robert Smith]

situation is, but many constituencies in England have now experienced dramatic flooding, so the Bill will be an important step in trying to respond to the crisis.

Finally, will the Leader of the House show more enthusiasm for the Wright Committee's report, and more willingness to take forward its agenda and ensure that this Parliament, in its dying days, delivers that reform to the people of this country?

Ms Harman: I have not been able to announce anything specific about the opportunity for the House to raise points following the announcement by the President of the United States on Afghanistan, but I am "signalling", as it is described in the newspapers, that there will be an opportunity for the House to debate the matter. However, hon. Members know that oral statements are not announced in advance—*[Interruption.]* We do not usually announce them in advance. Anyway, I am not doing so today; I am signalling that there will be an opportunity. We all know that every week in this House we need an opportunity to raise questions about Afghanistan, and we will ensure that next week, on the important occasion of the President of the United States making his comments, we will be consistent on the matter and ensure the House has the opportunity it needs.

As for the debate on the pre-Budget report, the point here is the substance, not the form. The question is this: will the House have a chance to debate the issues raised on the pre-Budget report? The question is not about what form that will take, but about the substance, and I would say that it will be possible to raise the substance on Second Reading of the fiscal responsibility Bill. I have looked at these issues carefully and I am satisfied that that will be the case.

Obviously, the point of Report stage of the Equality Bill is not simply to repeat the 30 hours of debate that have already taken place—there has already been careful scrutiny by those who served on the Committee—but to deal with issues that have come forward from Committee. As I have said, my hon. and learned Friend the Solicitor-General has ensured that the House can see the Government's proposals for Report. I hope the Bill will have the full backing of the House.

As for the Copenhagen summit and the Energy Bill, the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) will know that the Prime Minister will be attending Copenhagen—as will President Obama, which is welcome news.

On the subject of the Flood and Water Management Bill, there was a statement in the House last week, and the Prime Minister dealt with the question of the floods. We will be introducing that Bill—and obviously, we pay tribute to all those who are working to protect people in the flood-stricken community in Cumbria.

Several hon. Members *rose—*

Mr. Speaker: Order. No fewer than 42 right hon. and hon. Members are seeking to catch my eye—a record in my limited experience to date—and the House will be conscious that the continuation of the Queen's Speech debate, to which there are lots of willing contributors, will follow, so I appeal again to each right hon. or hon. Member to ask a single short supplementary question, and of course, to the Leader of the House to offer us a pithy reply.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Five young people are alive today because of the tragic death of a wonderful little boy, George Higginson. George was an organ donor. His father feels that it would be beneficial if people had an opportunity to sign up as organ donors while voting at elections, particularly the general election.

Ms Harman: It is a desperately sad and difficult decision for all families when a child dies, and it is an incredibly generous thing for them to agree to organ donations that can save other people's lives. My hon. Friend makes a very sensible suggestion, and I will talk to the Justice Secretary to see whether cards for signing up for organ donation could be made available in polling stations.

Mr. Robert Syms (Poole) (Con): May we have a statement on a wider review of student visas? Only seven months after the rules were changed, all the language schools, particularly those in Bournemouth and Poole, are very upset about some of the proposals, which could mean their closure. That would be devastating for the local economy.

Ms Harman: I will refer this matter to my hon. Friend the Minister for Borders and Immigration and ask him to write to the hon. Gentleman on that specific issue.

Julie Morgan (Cardiff, North) (Lab): May I draw my right hon. and learned Friend's attention to the threat to 200 very successful jobs in Llanishen in my constituency? The jobs are in Pelican Healthcare and Great Bear Healthcare, which make disposable medical products for the whole of the UK. Those jobs are at risk because of the differences in electronic prescribing practices between Wales and the rest of the UK. May we have a debate on the anomalies that are threatening those jobs in my constituency?

Ms Harman: I know that my hon. Friend is foremost in defending the jobs of people who live in her constituency, and I will raise that issue with the Health Secretary and ask him to liaise with his Welsh counterparts and with her.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on climate change and civil liberties, and in particular, the right of British people to eat beef wherever and whenever they want? Does she agree that trying to stop British people eating beef is like trying to stop the French eating cheese?

Ms Harman: We want to eat healthily, tackle climate change and be nice to animals, and we have to work together on all those issues.

Gwyn Prosser (Dover) (Lab): I heard what the Leader of the House said about the Equality Bill programme, but what will she do to ensure that we debate the important amendments that would end the scandalous exploitation of seafarers, which happens even when they are sailing on British ships between British ports? This is an issue that needs addressing.

Ms Harman: I know that my hon. Friend, as Member of Parliament for Dover, is an outstanding champion for those who work in the ports and seafarers. I understand that he has already arranged a meeting with the Solicitor-General to see what progress can be made on this issue.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on education so that we can discuss the problems faced by Radcliffe school in Milton Keynes, whose future is uncertain because the Secretary of State is refusing to make his mind up about whether it should become an academy?

Ms Harman: I will raise that issue with my right hon. Friend the Secretary of State for Children, Schools and Families and ask him to write to the hon. Gentleman. If hon. Members want to raise questions about an individual school with me, they will get a more complete answer if they give me notification in advance. Indeed, following that practice might have saved the Leader of the Opposition yesterday.

Mr. Ian McCartney (Makerfield) (Lab): May I apologise to you, Mr. Speaker, and to the House for my earlier yellow-card offence?

Will my right hon. and learned Friend clarify that the Government intend to table amendments to the Crime and Security Bill, which we will consider in the new year, to introduce a compensation scheme for the victims of Mumbai, Bali, Sharm el-Sheikh and other international terrorist atrocities against British citizens, and to close the loophole that debars them from compensation? The Government gave a promise. Will my right hon. and learned Friend make it clear today—of all days, as it is the first anniversary of the Mumbai atrocities—that that will be done?

Ms Harman: My right hon. Friend is very persistent, and he has shown that in raising this issue for the second time this morning. It is a very serious issue, and we are at an advanced stage in considering the options for including provision in the Crime and Security Bill for a compensation scheme for victims of overseas terrorism. Compensation is available for victims of terrorism in this country, but my right hon. Friend is raising the case of victims of terrorism abroad, and the gap in the system. We are taking steps to deal with that.

Lynne Featherstone (Hornsey and Wood Green) (LD): In business questions on 16 July the Leader of the House said that the Solicitor-General would discuss how to handle the Equality Bill on Report, and would consult Members. No consultation has taken place and we will have only one day, which is completely inadequate. Members on both sides of the House have tabled amendments that need to be debated. Will the Leader of the House ensure that they are debated?

Ms Harman: Amendments and new clauses have been tabled, and I am sure that they will receive sufficient debate. There have been discussions. We do not usually go into what happens through the usual channels, but I am confident that the substance and issues that need to be debated will be, and we can then all focus on putting the contents of the Bill into practice.

John Battle (Leeds, West) (Lab): Before the introduction of the flagship National Minimum Wage Act 1998, the Government set up the Low Pay Commission. May I draw my right hon. and learned Friend's attention to early-day motion 191, which is supported by Members on both sides of the House?

[That this House believes that the Government should establish a High Pay Commission to examine the effects of high pay on the economy and society; acknowledges that over the last 30 years median earners have seen incomes increase at less than the average while the super-rich including UK chief executive officers have seen their pay increase to 76 times that of the average worker; notes three main concerns over the effect of high pay in Britain: the link between excessive pay and the financial crash, the questionable link between economic performance and high pay and the social effects of inequality due to the increase of wealth concentrated at the top of society; and calls for a public inquiry to bring all of the facts, evidence and arguments into the public domain.]

I urge my right hon. and learned Friend to provide Government time to debate that issue, to enable us to vote to set up a high pay commission so that we can tackle widening wage inequalities as a matter of urgency.

Ms Harman: There will be a debate this afternoon on the Queen's Speech, to be led by the Chancellor of the Exchequer, in which those issues can be raised. We need to ensure that top pay does not spiral out of control not only in the private sector but in the public sector.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Notwithstanding climate change and beef eating, may we have a general debate on farming? Any change in stocking levels in places such as Exmoor and the levels will be devastating for management, and it will have an impact across the United Kingdom if the Government change their policy on beef eating.

Ms Harman: There is no policy change on beef eating, so the hon. Gentleman should not be alarmed.

Martin Salter (Reading, West) (Lab): May we look forward to an early and positive response to all the recommendations in the comparatively short and clear report from the Wright Committee, on which it was my privilege to serve? May I urge the parliamentarian of the year to stand firm against the dark forces on both the Government Front Bench and the Opposition Front Bench who are already lobbying hard against a Back-Bench business committee, which is vital if this House is to re-establish public respect and control over its own affairs?

Ms Harman: We all recognise that, as well as restoring public confidence by dealing with the abuse of expenses by a very few Members, we also need to strengthen the work of the House. The Wright Committee—I pay tribute to my hon. Friend the Member for Reading, West (Martin Salter) for his work on that Committee—will be an important step in improving the way in which the House works, and thereby in restoring and strengthening public confidence.

Mr. Nigel Evans (Ribble Valley) (Con): May I add my support to the calls for a general debate on farming? In 2000 there were 1,144 dairy farms in Lancashire; today there are 634—a drop of 45 per cent. There has been a similar drop in my constituency. The Leader of the House knows how important dairy farming is for food security and the environment. Please may we have an early debate?

Ms Harman: I stress the importance of dairy farming and beef farming; I hope that my rather flippant answer earlier will not be taken be amiss. There is no intention to change policy: we strongly support not only healthy eating and tackling climate change, but farming and the countryside.

Mr. Tom Watson (West Bromwich, East) (Lab): The impressive Boing Boing website tells us that the Secretary of State for Business, Innovation and Skills is seeking to take delegated powers to allow him to amend the Copyright, Designs and Patents Act 1988. When will the Digital Economy Bill reach this House so that we can make the case for an independent regulator to do that job, and certainly not a politician?

Ms Harman: I—*[Interruption.]* I am sure I had that in my notes somewhere. Oh yes, here it is: the Digital Economy Bill, which was announced in the Queen's Speech, was published on 19 November.

Mr. Lee Scott (Ilford, North) (Con): Will the Leader of the House consider having a debate on the amount of money being paid out in medical negligence claims, which has ballooned in recent years?

Ms Harman: The Department of Health keeps under review the amounts paid out by the national health service in medical negligence claims. We want to ensure that patient safety is such that patients are not the victims of medical negligence. That is what the starting point should be. It is not just a question of saving the NHS money; it is a question of protecting the health of patients. The best way to reduce medical negligence pay-outs is to reduce medical negligence, and that is something on which all the professions involved in medicine and the Department of Health work closely.

Mr. Gordon Prentice (Pendle) (Lab): We read that a *News of the World* reporter bullied by the then editor, Andy Coulson, won a staggering £800,000 at an employment tribunal this week. May we have an early debate on workplace bullying to underline the fact that it is unacceptable, no matter where it comes from?

Ms Harman: I agree and I will have to reflect on how that can be brought forward in the business of the House.

Greg Mulholland (Leeds, North-West) (LD): Tetley's ales have been brewed in Leeds since 1822, but now the parent company, Carlsberg, is seeking to close the brewery and brew under licence at another brewery, rumoured to be Black Sheep in Masham. May we have a debate on honesty in product promotion? Tetley's can only be a Leeds beer if brewed in Leeds with Leeds water: anything else would not be Tetley's.

Ms Harman: I will ask Business Ministers to liaise with the hon. Gentleman about whether anything could or should be done about this.

Mr. Chris Mullin (Sunderland, South) (Lab): May I press my right hon. and learned Friend again on the Reform of the House of Commons Committee? She will know that the window of opportunity is narrow and the forces of inertia are great. Can she give the House an assurance that measures to implement the proposals will be introduced before Prorogation?

Ms Harman: I can give my hon. Friend the assurance that having set up the Committee we are very impressed with the work that is being taken forward by my hon. Friend the Member for Cannock Chase (Dr. Wright). We welcome the report. We are pleased by how quickly the Committee has been able to reach its conclusion, by how substantial that report is, about how it has set out the process for how the report should be dealt with, as well as about the substance of the change that the report asks for. It was published only two days ago, and we will bring forward our proposals on how to deal with its consideration. We instigated this report, and we want to see changes brought forward.

Anne Main (St. Albans) (Con): Thanks to your good offices, Mr. Speaker, an urgent question about First Capital Connect was answered by the Secretary of State for Transport, who said that he would monitor the situation. Since then, the disruption on its routes has spread and the operation of its timetable is still severely compromised. When can we have a debate on this problem and about the franchises that are causing it?

Ms Harman: It is Transport questions next week, so I suggest that the hon. Lady raises that matter with Transport Ministers.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my right hon. and learned Friend aware of the corrosive campaign that is being run against the BBC by the Rupert Murdoch empire of BSkyB and News International, in league with the Conservative party? Can we have an early debate about the independence of the BBC and how important it is not to sell off large chunks of it?

Ms Harman: There is a major point of substance in my hon. Friend's question. We want to defend strongly the BBC and public service broadcasting, and not allow it to be picked apart in order that somebody who does not even live in this country should make a whacking profit.

Mr. Michael Jack (Fylde) (Con): In *The Times* this morning, an indication was given that the Government may be trebling the level of their telephone tax in connection with broadband extension, and that the details of this were to be published in a finance Bill scheduled for early in the new year. Can the Leader of the House tell us whether precedent will be broken in that a finance Bill will be published ahead of a Budget, and if so, what does early in the new year mean?

Ms Harman: I am afraid that I am not in a position to answer what is obviously a serious point raised by the right hon. Gentleman, so I will have to write to him

about it. However, I would say again that if he is going to raise something that I might not be able to predict, will he be able to predict that I cannot predict it and make sure that he tells me in advance?

Mr. Lindsay Hoyle (Chorley) (Lab): I wonder whether the Leader of the House would not only support, quite rightly, the Government's objective in rolling out high-speed broadband for everyone, but an important experiment that is to take place in Swinton, where we are going to have free WiFi. Will she support the provision of free WiFi in the Chorley and South Ribble constituencies as a north versus south experiment, and could we have a debate on that?

Ms Harman: I will draw my hon. Friend's point to the attention of Business Ministers. I think that progress on the digital economy will offer huge opportunities for all areas of the country, and I know that he will want his constituency to benefit from it.

Christopher Fraser (South-West Norfolk) (Con): I have called for a debate on the 2012 Olympics on many occasions, and each time the Leader of the House fobs me off. Given the astronomical cost of the event and the fact that the chairman of the Olympic Delivery Authority has said,

"Next year is set to be our toughest yet as activity on site reaches a peak",

will the Leader of the House give time for this important debate as early as possible so that we can discuss in this Chamber the true cost of that event?

Ms Harman: As well as raising these issues with the Olympics Minister during Question Time, he can take the opportunity to do so when the Chancellor comes to the Dispatch Box as soon as business questions is finished.

Keith Vaz (Leicester, East) (Lab): May I support the call by the hon. Member for North-East Milton Keynes (Mr. Lancaster) for a debate on education so that we can discuss the concept of "hard" and "soft" federations? One of my local schools, Rushey Mead, is the best performing in the city, and it is to be federated with a School that is the worst performing. Does the Leader of the House agree that consultation with parents is absolutely vital in our education system?

Ms Harman: It is Department for Children, Schools and Families questions next week, so I suggest that the Schools Secretary is the right person to ask that question.

Mr. Andrew Mackay (Bracknell) (Con): In every single previous year, the appropriate Secretary of State has come to the Dispatch Box to give an oral statement on the local government settlement, and there has been, entirely separately, a pre-Budget report from the Chancellor. Why is that not happening this year, and what have the Government got to hide?

Ms Harman: I understand that there has been cross-party discussion on this, and there is an answer. *[Interruption.]* This is a serious point. This settlement is the final one of the first three-year settlements, and it is unchanged from January 2008. Therefore, following discussions with Opposition Front Benchers, the usual procedure was not seen as necessary. A letter was sent to Opposition spokespeople about this on 12 November, and there have been no objections from Front Benchers. *[Interruption.]* No, I see that that is not so. Ignore what I have just said—I will look into it.

Mr. David Chaytor (Bury, North) (Lab): The peak of UK oil production in the North sea was passed some years ago. In recent weeks, a growing number of international experts have said they believe that the peak of global oil production may already have been passed. There is a growing consensus that in 2012 there will be a crunch in oil supply across the planet, with all the terrifying consequences for global security and national economies. Will the Government give the same kind of international leadership on the issue of oil depletion as they have given on climate change, and can we have a debate in Government time on the economic consequences of oil depletion?

Ms Harman: My hon. Friend makes a number of very important points, and I will raise them with the relevant Ministers.

Dr. William McCrea (South Antrim) (DUP): In the light of the recent increase in dissident republican attacks in Northern Ireland, the murder bid on a young police officer in Fermanagh, and the bomb planted outside the Policing Board in Belfast, can the Leader of the House find time to have an urgent debate on the security situation in Northern Ireland and the threat that that poses to the peace of the United Kingdom?

Ms Harman: The whole House would want to share the hopes for the peace process, which is supported by the overwhelming majority of people on all sides in Northern Ireland. Those who support any party, and those who support none, all support the peace process except a very small minority who should not be allowed to prevail. I will discuss with the Secretary of State for Northern Ireland whether he supports the hon. Gentleman's view that there should be a debate at this stage. Obviously, we want to be able to ensure that the House can scrutinise the work of the Northern Ireland Office and that hon. Members can debate and air their views, but we also want to ensure, above all, that we do what is conducive to the peace process.

Mr. Denis MacShane (Rotherham) (Lab): In the light of today's *Daily Mirror* report, and that of *The Independent* last week, about the buying of influence in the Caribbean and in Britain, can we have an early debate on that monster from the Caribbean deep, namely Lord Ashcroft, and his influence on politics—*[Interruption.]*

Mr. Speaker: Order. I say very gently to the right hon. Gentleman, who is an immensely experienced parliamentarian, that moderation in the use of language in the Chamber is always desirable. Whatever he thinks about the noble Lord, he should not call him a monster.

Mr. MacShane: If "monster" is now an unparliamentary term, Mr. Speaker, then we are limiting our vocabulary.

May we have an early debate on this gentlemen, who forces right hon. Members on the Opposition Benches to dissemble on his tax status and uses gagging writs to intimidate newspapers. It is only in the House of Commons

[Mr. MacShane]

that this man's corroding and, I believe, corrupt influence on Caribbean and British politics can be debated and explored. *[Interruption.]*

Mr. Speaker: Order. The right hon. Gentleman has put his views very firmly on the record, but I urge him not to use the word "corrupt"—I do not like it.

Ms Harman: There are Foreign and Commonwealth Office questions next week, at which issues to do with the Caribbean could be raised.

Mike Penning (Hemel Hempstead) (Con): I am sure that the Leader of the House is ready for me to ask a question about Buncefield, as the fourth anniversary is next week. May we have a debate on the safety of oil depots in this country? I am sure that the House will be surprised that even though the oil depot is completely cleared—it is a clean piece of land apart from the pollution—the control of major accident hazards safety licence still exists, and thus the oil companies can rebuild it any time they wish. May we have a debate on how the safety of our communities is affected by COMAH licences?

Ms Harman: I will ask my ministerial colleagues to liaise directly with the hon. Gentleman on his specific point about Buncefield. I know that from his constituency experience, he will have had great reason to thank and pay tribute to the fire services, and I should like to take this opportunity to pay my tribute to them, as they have done a remarkable job in my constituency this morning. More than 150 people had to be evacuated because there was a massive fire, which spread from a derelict site and set fire to a block of flats in which they were asleep in their beds. We are very hopeful that no life will be lost, and if that is the case it will be an absolute tribute to the fire services. I will raise the issue of Buncefield with my ministerial colleagues.

Mrs. Ann Cryer (Keighley) (Lab): May we have an early debate on changes to immigration regulations to prevent mainly young men from acting as sponsors of a wife from abroad following the acquisition of indefinite leave to remain and possibly an Islamic divorce?

Ms Harman: That might well be worth raising at Foreign Office questions next week. I pay tribute to my hon. Friend for her work in protecting vulnerable women from being pushed into marriages and exploited.

Sir Nicholas Winterton (Macclesfield) (Con): In supporting the responsible calls for a further day on the Equality Bill, may I make a request of the Leader of the House for a debate on the textile industry? In 1997, the number of employees in the industry in Great Britain stood at 313,000. By 2007, it had been reduced to just 93,000. It is a strategic industry, so may we have a topical debate on it at an early date?

Ms Harman: The textile industry is indeed an important part of our manufacturing, which is a very important part of our economy. I suggest that the hon. Gentleman could take the opportunity to raise the issue with Treasury Ministers or seek to catch your eye, Mr. Speaker, in the debate that will follow immediately after business questions.

Fiona Mactaggart (Slough) (Lab): The Leader of the House will be aware that a number of changes to the membership of Select Committees proposed by the Committee of Selection have been objected to and as a result not passed in this House. Will she make Government time available to decide the membership of Select Committees?

Ms Harman: As my hon. Friend the Deputy Leader of the House reminds me, there is to be an Adjournment debate on that subject shortly, and of course we asked the Reform of the House of Commons Committee to examine the selection of Chairmen and members of Select Committees. Good work has been done on that, and I am sure that the points that concern my hon. Friend and hon. Members throughout the House will be addressed.

Mark Hunter (Cheadle) (LD): Not content with ripping off their customers with extortionate charges, high street banks now want to charge people for accessing their own money via cash machines. If that is not bad enough, they are also, despite protests from business and community groups, planning to abolish the cheque. Does the Leader of the House agree that it is about time that the banks were reminded that their job is to serve their customers, not the other way round? Will she find time for a debate on these urgent issues?

Ms Harman: Many people will have been very disappointed that the case against the banks in relation to charges on overdrafts and other matters did not succeed in the Supreme Court, but that does not let the banks off the hook. People can apply for ex gratia and discretionary payments, and the Government are absolutely determined to ensure that we give every protection to the consumer. The banks need the trust and confidence of the public, and they need to do a good job. They provide the lifeblood of small business and support the economy, and they should not be ripping the country off.

Mr. Graham Allen (Nottingham, North) (Lab): In respect of the Wright Committee on the reform of the House of Commons and the "signals" that my right hon. and learned Friend talked about earlier, she will recall that the Committee is the first in this House to be elected secretly by Members of all parties. She will also know that it has reported in record time. However, the signal was that the setting up of the Committee was delayed until two days before the House rose for the summer recess. Will she take this opportunity to be very clear about when the House will not debate but decide yes or no on some of the recommendations? May I offer her this stage on which to make the most enthusiastic signal possible about the reform of this House?

Ms Harman: I have always supported positive reform of this House since I came into it in 1982, when it needed massive change. I have always played my part in being an agent for change, not for the status quo. This House is very good, but it could do with improvement. I take the opportunity that my hon. Friend has given me to thank him for his work on the Committee and his

consistent work on this agenda. I know that he was part of Parliament First, which instigated the Committee. One reason why people are pleased with the Committee's work is that it is chaired not by myself as Leader of the House and a member of the Government but by a Back Bencher, and that its members were elected. It therefore has great credibility in the House, and we look forward to bringing the matter forward for debate.

Paul Holmes (Chesterfield) (LD): Yesterday, the Select Committee on Children, Schools and Families visited a children's centre in a deprived area of London. One of the key problems that the staff identified was the lack of council housing, leaving children and their families living in expensive, overpriced, damp, often temporary and unsuitable private accommodation. May we have a debate on the need to fund a massive programme of council house building? The 3,000 council houses announced by the Government will do nothing to tackle a waiting list that has gone up from 1 million in 1997 to 2 million today.

Ms Harman: I strongly agree with the sentiments that lie behind the hon. Gentleman's comments. That is why we have introduced the decent homes standard, under which homes in my constituency in London have been renovated and improved, damp tackled, roofs repaired and better lifts and windows put in, and why we have made it a public spending priority to have more public home building. That is important not only for those who will live in those homes but to support the building industry as the economy comes out of recession. Such projects would not be possible under the Opposition's plans, nor, I am afraid, if we went forward with savage cuts in public spending, as the leader of the hon. Gentleman's party suggests.

Mr. Christopher Chope (Christchurch) (Con): Who is preventing the Leader of the House from doing the decent thing and announcing today a guarantee that we will be able to vote on the Wright Committee report before the end of January?

Ms Harman: I have said that the normal time for debating this sort of report is not two days after it has been published but within two months. I have said that I welcome the report, and we respect its depth and reach. We will need to consider it, and then we will bring the matter forward to the House. I hope that hon. Members will not talk themselves into a sense of mistrust and anxiety, because there is no need for it. We brought to the House the resolutions to set up the Committee and identify its members. We have asked for this work to be done, it has been, and we will take it forward with the agreement of the House.

Richard Younger-Ross (Teignbridge) (LD): A few weeks ago, there was a tragic death in a social housing property in Torquay—I understand because there was no smoke detection. By contrast, last week in my constituency Steve Pettit was saved by his neighbour Mike Maynard, who heard a smoke detector, broke into the flat and rescued him. Considering the praise by the Leader of the House for the fire services a few questions ago, may we have an urgent debate on the need for smoke and fire detection in social housing?

Ms Harman: That is an issue that I have discussed with the Secretary of State for Communities and Local Government, and I will see whether there is an opportunity to discuss not only the work of firefighters but fire prevention.

Mr. Philip Hollobone (Kettering) (Con): Although we all recognise that individual police officers do their best in very difficult circumstances, may we have a debate in Government time on the recent report from the chief inspector of constabulary, which states that British policing has lost its way due to the noise and clutter of Government targets, initiatives and new laws?

Ms Harman: And indeed that might be an opportunity for us to discuss his belief that if there were elected representatives of the police, it would totally trample over the very important and valuable operational independence of the police. That might be something that we look for a topical debate on shortly.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reiterate the request by the shadow Leader of the House for a free-standing debate on Afghanistan? There is a real sense of drift, about which we are all deeply concerned. We need to know more about the Government's strategy for handing over security to the Afghan national forces and about their sense of a timetable.

Ms Harman: The right hon. and learned Gentleman might have a sense of drift, but the Government do not. We are absolutely clear on the military, political and economic strategies, and we ensure that, every week, there is an opportunity for Members to express their views on, and ask about, Afghanistan. It is one of the foremost priorities for the Government and the country, so it is a foremost priority for the House.

Stewart Hosie (Dundee, East) (SNP): One of the strange reasons that the Government are now using to justify their decision not to transfer responsibility for air weapons to the Scottish Parliament, which was a Calman recommendation, is that there is no legal definition of an air gun. To be helpful, therefore, and to avoid such student politics and school-boy errors, will she have the appropriate Minister explain to her colleagues the precise purpose and workings of part 2 of the Firearms (Amendment) Rules 2007 entitled "Particulars relating to air weapons"? Will the Government get on with transferring the responsibilities and stop making silly excuses?

Ms Harman: The Government have undertaken an unprecedented devolution of power so that there can be what has been described as "Scottish solutions to Scottish problems" and so that Scottish people can make the decisions affecting them in their Parliament. The depiction of us as being on the back foot over this agenda cannot be right. I do not know the technical issues about firearms, but I am sure that the matter has been looked into very carefully. However, I am also sure that if the hon. Gentleman requested it, he could have a meeting with the Secretary of State for Scotland.

Mr. Mark Harper (Forest of Dean) (Con): May I take the Leader of the House back to the Equality Bill, about which I wrote to her yesterday? I also phoned her private office to draw the matter to its attention, so I

[Mr. Mark Harper]

hope that it drew it to hers. She gave a cast-iron commitment in the House—*Official Report*, 25 June 2009, column 962—to open negotiations with Opposition parties. To date, neither she nor the Solicitor-General have had those discussions either with Opposition Front-Bench Members or through the usual channels about the timetable—*[Interruption.]*

Mr. Speaker: Order. I say to the right hon. Member for Bracknell (Mr. Mackay) that he is an immensely experienced Member. It is plain bad manners to witter away when another colleague is addressing the House.

Mr. Harper: Thank you, Mr. Speaker. The Leader of the House gave those commitments, but those discussions have not happened. She repeated again this morning that they have taken place, but they have not. I suggest that those negotiations be opened by her, that they take place and that we ensure adequate time to discuss the Bill.

Ms Harman: I am sure that Members who are concerned about the Equality Bill, who want to play a part on Report and who played a part in Committee will be able to talk to the Bill Minister about how the debate will be arranged. However, in my view there has been sufficient debate prior to, and in, Committee and there will be sufficient debate on Report. If hon. Members who are spending so much time raising the question about the debate in the House spent that much time outside the House campaigning for equality, we would all be much nearer our goals.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May we have an early debate on the work of the UK Border Agency, which would doubtless allow many hon. Members the opportunity to ventilate their frustrations in dealing with what is probably one of the most inefficient and inhumane agencies of government? It would also allow someone from the Home Office to explain why the agency will not engage with, or take representations from, Members of the Legislative Assembly in Northern Ireland or Assembly Members in Wales, despite taking representations from MSPs. Surely it is not for bureaucrats to determine to whom people should turn when faced with the intransigence of such an agency.

Ms Harman: The UK Border Agency has a very big responsibility on behalf of people in this country and has greatly improved the work that it does. The hon. Gentleman raised a point about those from whom it will receive separate representations, and I will ask ministerial colleagues in the Home Office to deal with that point. It is a point of substance and we want to ensure that the agency takes representations where appropriate.

Mr. Peter Bone (Wellingborough) (Con): The ballot for private Members' Bills is taking place today, and several Members will be extremely happy. What they perhaps do not know is that in item five of today's Order Paper, the Government are trying to change Standing Orders so that the number of days allocated to private Members' Bills will effectively be reduced from 13 to six. May we have a proper debate on that and prevent the Government from sneaking it through at the end of the day?

Ms Harman: It is anticipated to be a shorter Session, so this is a question of proportionality.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Under the right hon. and learned Lady's leadership of the House, fewer new clauses and amendments—including to her Equality Bill—have been reached, debated and voted on than under any other Leader of the House in history. Is she not embarrassed by that, and does she not recognise that the way to deal with the embarrassment is to provide the time needed on her Equality Bill—the exemplar—and to accept the recommendations in the Wright Committee report to deal with the problem so that the House gets to scrutinise in legislation what it needs to, rather than the Government choosing what the House scrutinises?

Ms Harman: Obviously, the House must scrutinise all Bills and it must do so effectively. Also, the Government, elected and commanding a majority in the House, must get their business. One of the bits of business that we want to get through not only the House of Commons, but the House of Lords, is the Equality Bill. I know that the hon. Gentleman supports it, and I look forward to a good debate on Report.

Mr. Rob Wilson (Reading, East) (Con): May we have a statement from the Secretary of State for Culture, Media and Sport regarding England's 2018 World cup bid? Football fans across the nation cannot fail to have noticed the rancour, division and bitterness that is dominating the bid. Should the Secretary of State not be banging some heads together?

Ms Harman: I shall raise that point with the Secretary of State for Culture, Media and Sport.

Mr. Speaker: I would like to thank and congratulate right hon. and hon. Members. No fewer than 44 Back-Bench Members have questioned the Leader of the House, which in my experience is a record. It is a tribute to both succinctness and a co-operative spirit.

Points of Order

12.27 pm

Mrs. Caroline Spelman (Meriden) (Con): On a point of order, Mr. Speaker. In response to a question from my right hon. Friend the Member for Bracknell (Mr. Mackay), the Leader of the House just said that cross-party discussions were held about issuing the local government finance settlement as a written ministerial statement, rather than an oral statement. May I confirm that that is not the case? She implied that, because this is the third year of a triennial settlement, there is in essence no need for an oral statement. However, last year—the second year—there was an oral statement. Do you agree, Mr. Speaker, that departing from the custom in the House of having an oral statement on local government finance would deny Members a chance to raise questions with the Government about the level of the grant that their authorities receive?

Mr. Speaker: Before I respond to the hon. Lady, given that the Leader of the House is here, I shall let her put her two penn'orth in.

The Leader of the House of Commons (Ms Harriet Harman): Further to that point of order, Mr. Speaker. As I understand it, the Secretary of State for Communities and Local Government wrote—perhaps he did not have verbal discussions—to Opposition Front-Bench spokespeople on 12 November explaining the course of action that he intended to take, but has since received no notice of objections. Hon. Members and other interested parties have the opportunity to make their views known during the consultation period.

Several hon. Members *rose—*

Mr. Speaker: Order. Before I take other points of order, I should say, on the basis of hearing the hon. Member for Meriden (Mrs. Spelman) and the Leader of the House, that a charitable interpretation would be that there has been something of a breakdown in communication. I also say to the hon. Member for Meriden that instinctively I am always keen that there be the maximum opportunity for matters to be debated properly on the Floor of the House. However, my generosity of spirit is not the only factor involved, and she will know that, I am afraid, I do not determine such matters. They are determined between the usual channels, and it would not be right for me to seek to second-guess those channels or indeed the Leader of the House.

Mr. Andrew Mackay (Bracknell) (Con): On a point of order, Mr. Speaker. You will have clearly heard earlier the right hon. Member for Rotherham (Mr. MacShane) refer to a Member of the other place as "corrupt". That was not only wrong, but unparliamentary. The right hon. Gentleman has now left the Chamber. What arrangements can be made for him to return to the Chamber and withdraw the unwarranted remarks?

Mr. Speaker: I am grateful to the right hon. Gentleman for that point of order. *[Interruption.]* Order. The House must calm down a bit. The right hon. Gentleman has raised an important point of order, to which I would like to respond. He has raised a very important matter. I made clear to the right hon. Member for Rotherham (Mr. MacShane) at the time my disapproval of his immoderate language, and I think it would be better if the word were simply withdrawn. As in so many things, there is precedent on the subject: specifically, "Erskine May" pages 438 and 439, which exhort Members to recognise that reflections must not be cast upon the conduct of Members of either House except on a substantive motion. No such substantive motion had been tabled or was in play on this occasion. The right hon. Member for Rotherham is no longer in his place, but I feel sure that my ruling, the observation of the right hon. Member for Bracknell (Mr. Mackay) and the wider sentiment of the House will have registered with him.

Mr. Edward Leigh (Gainsborough) (Con): On a point of order, Mr. Speaker. You were in the Chair yesterday when I raised with the Chancellor a very serious matter: namely, that contrary to precedent, having issued an indemnity to the tune of £62 billion to HBOS and RBS, and having chosen to do it in secret—his choice—he did not inform me as the Chairman of the Public Accounts Committee or the Chairman of the Treasury Committee. The Chancellor told me in reply that he did not need to do so because of legislation. That legislation was not on the statute book till some months after he issued the indemnity. In any event, it covers a different sort of transaction. That is a serious matter. Nobody in Parliament was informed, even in confidence, of what was going on, contrary to ancient traditions and conventions. May I write to you in detail and ask you to defend the privileges of the House?

Mr. Speaker: I thank the hon. Gentleman for his point of order. As the Chancellor of the Exchequer is with us—*[Interruption.]* Order. As the right hon. Gentleman is with us, I offer him the opportunity to respond if he wishes.

The Chancellor of the Exchequer (Mr. Alistair Darling): I am very grateful to you, Mr. Speaker. I anticipated the hon. Gentleman's point of order, not least because he wrote to me earlier today—he will, of course, get a reply. It is right that the Banking Act 2009 came into force during the course of this year. However, when I replied to him yesterday, I made the general point that such operations are conducted by the Bank of England. Yes, of course I issued an indemnity for reasons that I explained yesterday, but the operations were not disclosed because, as I set out yesterday, of the prevailing conditions at the time. I said that the decision about when we disclosed the matter publicly was a fine one, although I remained of the view that the Governor was right. Clearly, I will reflect on the procedures for advising the Chairman of the Treasury Committee and the Chairman of the Public Accounts Committee, because it must be right that Parliament is kept informed, but equally it has to be right that, especially in the tempestuous conditions we had just over 12 months ago, we had regard to the effectiveness of the Bank's operations. I will reflect on what the hon. Gentleman said. I would, of course, have said exactly the same had he chosen to intervene on my speech, which I hope to make in the not-too-distant future.

Mr. Speaker: I am grateful to the Chancellor of the Exchequer for that considered and reasonable reply. As Chairman of the Public Accounts Committee, the hon.

[Mr. Speaker]

Member for Gainsborough (Mr. Leigh) has immense experience of the subject, and that should be respected. He has explained—and the Chancellor has confirmed—that there is correspondence between them. The hon. Member for Gainsborough has written to the Chancellor, and I think that he should await the reply with eager anticipation, and I should be grateful it he copied me in on it. Let us see where that takes us.

John McFall (West Dunbartonshire) (Lab/Co-op): Further to that point of order, Mr. Speaker. I support the covert operations, but I fear that perhaps next week, a report from the National Audit Office will be published, which indicates that the £61 billion had been given. Given that the Governor of the Bank of England disclosed that at a Treasury Committee sitting, I fear that the Bank of England and the Treasury have been caught with their fingers in the till. There is a serious question mark over public and parliamentary relations in the Treasury and the Bank of England. Given that the loans were repaid in January 2009, I do not understand why they were not disclosed. I feel that both Parliament and the Select Committees have been short-changed. There is a need for a protocol that affects Select Committees and Parliament. I look forward to its being developed as a result of the correspondence.

Mr. Speaker: The right hon. Gentleman is a distinguished Chairman of the Treasury Committee, and it is therefore with sadness that I have to tell him that, although he has put his views firmly on the record, they did not amount to a point of order. I know that he will not in any way seek to entice me to participate in a debate on policy. Any impression that might have been conveyed to that effect is certainly accidental.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. In business questions a few minutes ago, in response to my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone), the Leader of the House said that discussions had taken place about the timing of the Equality Bill, as she promised in an earlier business questions session. However, I have it on good authority from the Deputy Chief Whip of the Conservative party, the Conservative spokesman on the Bill, our spokespeople on the Bill and the Chief Whip of the Liberal Democrats that no such discussions with spokespeople or the usual channels have taken place. Would it be in order for you to invite the Leader of the House to withdraw her assertion that discussions had taken place? Otherwise, something that has the effect of misleading the House is left on the record.

Mr. Speaker: Unfortunately, I do not think that it would be in order. The hon. Gentleman is engaged in a rather rebarbative pursuit of a point of difference with the Leader of the House. He has placed his views very clearly on the record—they will be intelligible, I hope, to all hon. Members. The amount of time that is allocated is a matter for the usual channels. The hon. Gentleman makes his view clear. I have indicated my preference for maximum debate, but I know my place, and such matters are not, sadly, determined by me.

Dr. Harris *rose—*

Mr. Speaker: Very briefly.

Dr. Harris: Further to that point of order, Mr. Speaker. I apologise for not making my question clear enough. My point of order is not about the amount of time, but the assertion that discussions had taken place. If that remains on the record and is not the case, the House is in the position of being misled. Those discussions did not take place. Will not the Leader of the House correct the record?

Mr. Speaker: I am grateful to the hon. Gentleman. I understand what he is saying, but I still maintain that at stake is essentially a disagreement about who said what, when and whether it was reflected in practice. That is not a matter for me. If the Leader of the House wants to come back on the hon. Gentleman's point, she is free to do that. I give her one last chance, but she is not under any obligation to do so. I do not think that she wants to say anything further, and she is under no obligation to do that.

Mr. Andrew Pelling (Croydon, Central) (Ind): On a point of order, Mr. Speaker. On the continuing discussions about the usual channels, it is surely important for the House's reputation that Back Benchers, particularly independent Back Benchers, are given the opportunity to speak on issues such as the local government financial settlement. In places such as Croydon, we get the minimum increase in grant, and we have extra asylum seekers to deal with because of changes in Government policy. Can you advise me on the way in which the usual channels can start being used for the benefit of the House rather than for ensuring that Back Benchers do not get the chance to contribute?

Mr. Speaker: I am grateful for what the hon. Gentleman has said. I am always seeking to champion the rights of Back Benchers, and it is always a pleasure to hear his views.

We now proceed to the main business—*[Interruption.]* If the hon. Member for Taunton (Mr. Browne) would allow us to proceed with the main business, that would greatly assist us.

CORPORATION TAX BILL

Motion made, and Question put forthwith (Standing Order No. 60(2)),

That the Corporation Tax Bill be proceeded with as a tax law rewrite Bill.—*(Kerry McCarthy.)*

Question agreed to.

TAXATION (INTERNATIONAL AND OTHER PROVISIONS) BILL

Motion made, and Question put forthwith (Standing Order No. 60(2)),

That the Taxation (International and Other Provisions) Bill be proceeded with as a tax law rewrite Bill.—*(Kerry McCarthy.)*

Question agreed to.

Debate on the Address

[6TH DAY]

Debate resumed (Order, 25 November).

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

The Economy and Business, Innovation and Skills

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Leader of the Opposition. Standing Order No. 33 provides that, on the last day of the debate on the motion for an address to Her Majesty, the House may also vote on a second amendment, selected by the Speaker. I have selected the amendment in the name of Mr. Nick Clegg for that purpose. The vote on that amendment will take place at the end of the debate, after we have disposed of the amendment in the name of the Leader of the Opposition.

12.40 pm

Mr. George Osborne (Tatton) (Con): I beg to move an amendment, at the end of the Question to add:

"but humbly regret that the Gracious Speech fails to provide a credible plan to tackle the fiscal deficit and national debt, contains no measures to help families and businesses in the recession, fails to provide real measures to begin to tackle rising entrenched poverty, fails to lay out plans to reform the public services and improve outcomes in the NHS, and fails to include proposals to combat Britain's falling economic competitiveness; condemn the absence of any measures to bring down youth unemployment and the number of people out of work and any measures to provide help for savers and pensioners; regret the absence of measures to address the failed tripartite system of regulating the financial system; and further regret the absence of a plan for sustained economic growth."

Today we discuss the economy and two Treasury Bills soon to come before the House, and we also bring the week-long debate on this empty Queen's Speech to a close. Apparently, we have something to look forward to at the end because my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) has just informed me that it has been 20 years since he last wound up a debate on a three-line Whip in the House of Commons. In a few hours' time, we will get to hear that.

We have this debate, of course, the day after the Office for National Statistics confirmed through its revisions that the British economy continued to contract in the third quarter of this year. While we all hope, indeed expect, some kind of recovery by the end of the year, Britain is still officially in recession a full 20 months after it entered it. That makes it the longest recession since the second world war and, of course, the deepest recession as well.

The economy has contracted by far more than the 3.5 per cent. that the Chancellor forecast in his Budget this spring. That poses a question that should hang over our debate today and every contribution to it: why is Britain still in recession when the rest of the world is recovering? Why is Britain still in recession when America, France, Germany, Japan, Italy, Austria, Belgium, Brazil, the Czech Republic, New Zealand, the Netherlands, Poland, Portugal, Russia, Sweden and virtually every single other country in the world have come out of recession? The Government have absolutely no answers.

Mr. Jeremy Browne (Taunton) (LD) *rose—*

Mr. Osborne: Perhaps the hon. Gentleman does.

Mr. Browne: Given that the state of the British economy is as bad as the hon. Gentleman describes, why is it that I am unequivocally in favour of Labour losing the next general election, but the right hon. and learned Member for Rushcliffe (Mr. Clarke), who is winding up the debate, does not share my view?

Mr. Osborne: What my right hon. and learned Friend is completely against is having to rely on the Liberal Democrats—and with an intervention like that, we can see why.

The Government have no answer to the central question of why Britain is still in recession when the rest of the world is recovering. If one pauses to think about that question, one realises how the entire edifice of the Government's argument over the past two years—the argument that Britain was better prepared; the argument that the great helmsman, the Prime Minister, would steer us through the storm; the argument advanced by the Prime Minister that, thanks to his policies, Britain would, in his words, be "leading the world" out of recession—has come crashing to the ground when we face the simple fact that Britain has not led the world out of recession, but the rest of the world has left Britain behind in recession. That is what has happened. Confronted with this truth and unable to provide a convincing answer to how the Government got it so wrong, one would have thought that they would use this Queen's Speech as a moment to pause and rethink.

Mr. Chris Mullin (Sunderland, South) (Lab): I may be able to assist with the hon. Gentleman's inquiries. I had lunch the other day with someone who works for a very big bank in the City, as one does, and he told me that he thought the official figures were wrong and that we were already out of recession. That was his opinion, which he said was also the opinion of his bank. Last night—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. I think that the hon. Member has made his point.

Mr. Osborne: I look forward to reading the diary entry about that one. I am sure that the hon. Gentleman was served a lot of very good wine at the lunch.

My point is that a lot of hope was placed in the fact that when the Office for National Statistics came to revise its figures for the third quarter, they would show that the economy was, in fact, expanding rather than contracting. Well, we have had the first revision, which is often the most significant one, and the figures show that the economy is still contracting. We all wish that that were not the case, but those are the official figures, no doubt endorsed by the Government and the Treasury,

[Mr. George Osborne]

and that is the reality with which we have to deal. The fact is that Britain is still in recession when almost every other country in the world, including the United States, has now come out of recession.

One would have thought that the Government would use the last opportunity in this tired Parliament to address the fundamental problems that hold back a sustainable and strong recovery: the lack of credit and the lack of confidence in the British economy—the lack of credit to finance the recovery, the lack of confidence that the country can deal with its debts and go for growth. But no, the Government have not addressed those fundamental problems and instead they chose to use this Queen's Speech to try to establish their famous political dividing lines.

Many Back Benchers have taken part in these six days of parliamentary debate on the Queen's Speech, but as it happens, the most accurate analysis of what this Queen's Speech was really about was provided by the very first Labour Back Bencher to be called by the Chair to speak in the main debate. The right hon. Member for Norwich, South (Mr. Clarke) said this, just minutes after the Prime Minister had sat down last week:

"Instead of legislating in a way that sets out a constructive ambition for the future, I fear this Queen's Speech shows that we are dominated by the political fear of our opponents. That is not the right way for Labour to win"—[*Official Report*, 18 November 2009; Vol. 501, c. 37.]

in 2010. There we have it: no constructive ambition for the future and not the best way to govern the country. That is not a Conservative MP speaking, but a former member of the Labour Cabinet. Some Labour Members will, of course, dismiss their former Home Secretary as one of the most usual of the usual suspects, always plotting to unseat the leader of the Labour party—and always, to our great relief, failing in those plots.

The truth is, however, that the right hon. Member for Norwich, South is not the only one who thinks that the Queen's Speech was little more than a cynical exercise in political calculation. My attention has been drawn to the blog of the hon. Member for Hyndburn (Mr. Pope). It goes under the inspired title of "The Audacity of Pope"—inspired because it presumably attracts millions of unwitting visitors who thought they were hitting on something a bit more presidential. If we look at this Labour Member's blog, we discover that "Pope" has the audacity to say this about the Government's programme that we are being asked to vote on tonight. He says:

"The Queen's Speech... will be designed to put the Tories on the spot apparently. We are told that there will be clear dividing lines between us and the Tories... The people I represent don't want this kind of yah-boo politics, they want to know what we are going to do for them. The purpose of the Queen's Speech is to... outline a vision of what the Government can do for our country; its purpose is not to score points off the other parties."

The hon. Gentleman then says:

"Am I alone in thinking that this strategy is, well, not brilliantly thought out?"

I can reassure him that no, he is not, as this has been the most transparently cynical, empty and political legislative programme put before this Parliament in living memory.

Our country is in recession as the rest of the world recovers; the great social problems of our age go unanswered; our political system has lost all trust. It is time that we had strong national leadership. Instead, we have a Queen's Speech that even the Government's own supporters say has everything to do with the narrow interests of a beleaguered Prime Minister and nothing to do with the national interest.

This is what a member of the Cabinet could not resist boasting to *The Times* newspaper two days before the Queen's Speech was even delivered. It will be, he said, the

"most political in 12 years".

Mr. Deputy Speaker, I would like to use the protection of parliamentary privilege to name the Cabinet Minister I believe responsible for saying that. I have done my research, cross-checked with past records, and I believe those remarks were made by the Secretary of State for Children, Schools and Families. It is exactly the pattern of behaviour that we have come to get used to from him. In June, for example, he told everyone he was going to have the Chancellor's job in a couple of days' time, while earlier this month he briefed on how he was winning his spending battle with the Treasury.

I wonder whether the Chancellor—I do not expect him to say anything—has noticed the similarity between the Secretary of State for Children, Schools and Families and one of those James Bond villains, who sits in his secret lair, stroking the cat, cooking up his dastardly plans for world domination, and then, just before he puts them into effect, he is unable to resist the temptation to show off and tell everyone about those plans. We know what happens next in the films: Bond escapes, the plans collapse, and our villain departs in an escape pod and abandons the imploding mother ship. We fully expect to see the Secretary of State for Children, Schools and Families attempt the political equivalent in the next few months. It is precisely because Cabinet members have told us that this Queen's Speech is so cynical, so transparently an attempt to draw artificial dividing lines, and so little motivated by what would serve the national interest, that we must approach each measure with considerable suspicion about its motives.

The Treasury has put two Bills before us: the Financial Services Bill and the fiscal responsibility Bill. Do either of those Bills even begin to rise to the economic challenge that we face? Will they provide the credit and confidence that is so badly lacking? Will they tackle the deficit and go for growth? No, they will not. As we will debate the Second Reading of the Financial Services Bill on Monday, I will not dwell on it today, except to comment on the Walker review published this morning. Everyone wants the boards of banks to do their job better and to understand more fully the risks that they are running. We do not want a repeat of what happened at the Royal Bank of Scotland, where an all-powerful chief executive went unchallenged by his own board, by Government regulators, and by a Government who instead chose to knight him for services to banking.

I spoke to David Walker this week, and we support his plans to shake up the bank boards and improve their risk controls. We also support his proposals to make those banks disclose the number of their employees who are on high salaries. What happened to all the talk from the Government that they would disclose people's names as well? Lord Myners said just two months ago that the pay and the identity of the highest-paid bankers

would be disclosed by the Government. However, when asked about that on the radio this morning, David Walker said that

"the idea being canvassed by Lord Myners…is not supported by a shred of evidence of the kind that I am interested in."

That is not what one would call a ringing endorsement of the Chancellor's City Minister from the Chancellor's City adviser. Perhaps Lord Myners will be the next GOAT to slip the tether. When it comes to the Government and the banks, surely the public are entitled to ask why the Government talk tough and make promises, but then fail to deliver. As we wait to see bonus payments over the coming months, we will remember the Prime Minister's promise that the era of the big bonus is over.

We will look in detail at the Financial Services Bill next week, but we know that it will do nothing fundamental to alter the tripartite system of regulation that failed Britain so spectacularly. Why? The simple and political reason is that the Prime Minister is the sole architect of the structure and does not want to admit that he got it wrong. We also know that the Financial Services Bill will do nothing to address the real financial scandal in our country today—that tens of thousands of businesses are still facing a credit crunch.

The debates on the Queen's Speech have been littered with contributions from Members on both sides of the House who have firms in their constituency facing bankruptcy because they cannot get reasonable access to credit, on reasonable terms. The Bank of England's figures show lending to business continues to contract, and the chambers of commerce say credit conditions are getting worse.

A year ago, the Chancellor talked at length in the Queen's Speech debate about all the Government programmes that would help. Let us look at what has happened to them 12 months later. What happened to the capital for enterprise fund? It has helped seven businesses. The Chancellor told us that the trade credit insurance scheme would provide £5 billion of credit insurance; instead, it has provided £18 million of credit insurance. What about the guarantee for asset-backed securities, which, we were told, would tackle the heart of the credit crunch? Not a single guarantee has been provided by that scheme.

If we want answers to the central question of why Britain remains in recession while the rest of the world recovers, we can start by looking at the dismal failure of this Government to deliver on their promises to get credit flowing in our economy.

Peter Luff (Mid-Worcestershire) (Con): My hon. Friend has been uncharacteristically generous to the Government. Will he also remind the House that the automotive assistance programme, which was promised as a £2.3 billion scheme in January, turned out to be a £400 million guarantee, and so far just one loan of £10 million has been made, to Tata?

Mr. Osborne: My hon. Friend speaks not only with his experience as Chairman of the Select Committee on Business, Innovation and Skills, but as a west midlands Member, and he is absolutely right that the promise of credit assistance to the car industry has not been delivered on.

Let us turn to the other big Treasury Bill: the fiscal responsibility Bill. I congratulate the parliamentary draftsmen who gave the Bill its title on their sense of humour. We must at least give the Chancellor credit for keeping a straight face when he tells us that a Government who have tripled the national debt and run up the largest budget deficit the country has ever known will be introducing a fiscal responsibility Bill. I have looked around the world for precedents for such a Bill, and I have asked for research to be done. I can tell the House today that I have found one precedent. The paragon of financial rectitude and transparency that introduced a fiscal responsibility Bill is Nigeria.

What Britain needs is an entirely new fiscal regime, with an independent office for Budget responsibility, so that the figures are not fiddled and Ministers are held to independent account for the promises they make. That is what the Conservative party will introduce in government. Instead, what Britain gets today is a Bill that has invited mockery and ridicule before it has even been debated; a Bill that proclaims to the country that the Government will halve the soaring budget deficit, but does not say how; a new law that achieves a constitutional first of imposing no legal sanction on the person who is likely to break it. No other Chancellor in the long history of the office has felt the need to pass a law in order to convince people that he has the political will to implement his own Budget.

As one commentator observed this week, there are only two conclusions. Either the Chancellor has lost confidence in himself to stick to his resolution, and is, so to speak, asking the police to help him, or he fears that everyone else has lost confidence in his ability to keep his word, but hopes that they might believe in the statute book if not in him. Neither is much of a recommendation for the Chancellor of the day.

Mr. John Redwood (Wokingham) (Con): Was there not one important point behind this idiotic Bill? The Labour Government are now saying that they need to either cut spending or increase taxes to the tune of £100 billion. Does my hon. Friend think that Government Back Benchers have realised what that means?

Mr. Osborne: My right hon. Friend makes a very good point. I do not think that Government Members have begun to wake up to the mess of the public finances or what will be required. Let me be a little generous: I think the Chancellor is beginning to realise, because, every day, Bank of England and Treasury officials are telling him the real situation. However, he has a big problem: he has not convinced in any way his next-door neighbour, the Prime Minister, who is still intent, as his conference speech revealed, on coming up with new, uncosted spending pledges, instead of dealing with the very serious problem that this country faces, and recognising that public spending must be cut.

Mr. Andrew Pelling (Croydon, Central) (Ind): It is probably more important to be concerned about Opposition Back Benchers rather than Government Back Benchers, bearing in mind that the hon. Gentleman will likely have the Chancellor's responsibility in a few months' time. But is it not also important to be cautious about the timing of public expenditure cuts, given the fragile economy that he has described? Is one way out to go for growth, by pursuing a Reaganomics-type approach of having lower taxes, rather than higher ones?

Mr. Osborne: I am not a believer in Reaganomics. I am a fiscal conservative, as is the leader of my party. The best comment on the matter that I have read recently came from Richard Lambert, the CBI director general:

"History tells us that these are really difficult nettles to grasp but if you grasp them in a clear and bold way, then the pain lasts for a shorter period than if you just limply grab hold of them...Our strong instincts are that the risks of going too soon are less than the risks of waiting too long...Two full parliaments of chancellors being responsible just seems too much to expect."

I agree with what he says.

To return to the fiscal responsibility Bill, who on earth does the Chancellor think that he will convince with that piece of legislative fiction? Are economists convinced? No, as one former Monetary Policy Committee member has said:

"Fiscal responsibility acts are instruments of the fiscally irresponsible to con the public."

What about the markets? The verdict of one leading City analyst is that

"the government's plans for legislation to cut the deficit are not convincing and are probably just camouflage—a sort of 'fiscal figleaf'—for the lack of genuine action in the upcoming PBR."

What about the public? Surely they will want to know what happens to the Chancellor who breaks his own law. Will he be fined? Will he be imprisoned? No, he will not. The Prime Minister only wants to kick the Chancellor out; he does not want to lock him up.

This fiscal responsibility Bill will have exactly the same effect as the amazingly similarly named code for fiscal responsibility which his predecessor, the Prime Minister, introduced when he was Chancellor. That was the code that gave us all that nonsense about golden rules, prudence with a purpose, and 40 per cent. debt-to-GDP ratios, and all the while the national debt has been allowed to triple. No one was there fixing the roof when the sun was shining.

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): We are all in this together.

Mr. Osborne: We are all in this together, as it happens, and the sooner the Government understand that point in the last few months they have left in office, the sooner they can start to salvage some of their reputation. A big choice faces the Chancellor of the Exchequer: is he going to stand up to the Prime Minister of the day? Is he going to be like Roy Jenkins and do the right thing even if it is politically inconvenient? Is he going to be Roy Jenkins or not?

The Chancellor of the Exchequer (Mr. Alistair Darling): I wonder whether I can ask the shadow Chancellor a question in the light of what he said about Richard Lambert's remarks, which he quoted with approval. Do I take it that it is his policy to eliminate the deficit in one Parliament?

Mr. Osborne: My view is shared exactly by Mervyn King, who told the Select Committee that there would have to be, in the next Parliament,

"a really significant reduction in the deficit, the elimination of a large part of the structural deficit".

That, he said, would have to take place "over the lifetime" of the next Parliament,

"which is the period for which a government is elected. Beyond that is a statement of intent and hope rather than a plan for which someone can be held account.ible."

My views on the issue are the same as those of the Governor of the Bank of England. I have no idea whether they are the same as the Chancellor's views. Perhaps he will intervene on me again. I should like to know, just as a matter of interest, whether the Chancellor of the Exchequer of this country agrees with the Governor of the Bank of England.

Mr. Darling: The hon. Gentleman quoted Richard Lambert, who, he said, had expressed the view that the deficit should be eliminated in the space of one Parliament. I asked him whether he agreed with that. My position is quite clear. I think that the amount of borrowing must be reduced by half, but what concerns me is that we do not get ourselves into a position in which we seriously damage the economy by removing support in a way that would harm businesses and enterprise. The hon. Gentleman seems to be saying that he would go further than what I am proposing. I simply ask him to clarify that.

Mr. Osborne: If the Chancellor's concern is about seriously damaging the British economy, I wish he had had that concern a couple of years ago.

I agree with the Governor of the Bank of England. That is who I agree with. The Chancellor, very strikingly, has not said publicly that he agrees with the Governor of the Bank of England. So we have someone in charge of monetary policy and someone in charge of fiscal policy, but we have no idea whether those two people agree with each other.

I suspect that this fiscal responsibility Bill was not the idea of the Chancellor of the Exchequer at all. I suspect that the Chancellor would happily be rid of the ridicule that he will invite when he takes the Bill through Parliament, but the Prime Minister will not let him, because, as we all know, it was the Prime Minister's idea, cooked up in the bunker in No. 10. It bears all his hallmarks: form over substance, spin over reality, passing a fake law instead of having the courage to deliver what you promised.

The fiscal responsibility Bill is like so much of the rest of this Queen's Speech. The Government are trying to make illegal what they have so far failed to promise and deliver. The Bill is there to create a feeble dividing line. The issue with which we must deal is the budget deficit, which is larger as a proportion of our economy than the deficits in the United States, France and Germany—even larger, now, than those in Ireland, Iceland and Hungary, the three countries that have been most exposed to the credit crunch.

How much longer can the Government ignore the growing clamour of concern from the international markets and, indeed, domestic businesses which believe that we are risking Britain's international credit rating? How great does the spectre of higher taxes, higher long-term interest rates and higher unemployment have to be before the Government change course?

We know that there is a fierce battle afoot between the Chancellor and the Prime Minister. The Prime Minister appears to be pursuing a policy of scorched earth and poison pills. The Chancellor may live in a

terraced house next to the Prime Minister, but he has become the semi-detached member of the Government. We look to him to protect the nation's interests against this Prime Minister, who is clinging to survival.

Rob Marris (Wolverhampton, South-West) (Lab): The hon. Gentleman has courageously said that he agrees with a policy of eliminating the Government deficit within one parliamentary term. The leader of his party has said that he is against big government. Will the hon. Gentleman give us an idea of what size he thinks government should be—that is, what Government spending as a proportion of GDP should be—in, say, five years' time?

Mr. Osborne: I am not going to set some artificial target for the size of government as a proportion of GDP, not least because it will depend on the size of the GDP, which may alter every year. It may shrink, which is what we have seen it do in the last two years. I am pretty clear about the fact that the current level of over 50 per cent. is unsustainable, and I would imagine that most Labour Members agree with that.

Let me correct the hon. Gentleman. What I said was that I agreed with the Governor of the Bank of England, who has said that there needs to be

"an elimination of a large part of the structural deficit"

that

"takes place over the lifetime of a parliament".

Let us look at what the international community is now saying about the Government's plans. According to the verdict delivered by the Organisation for Economic Co-operation and Development this week,

"an announcement of concrete and comprehensive plans upfront would enhance macroeconomic stability"

in the United Kingdom, and would strengthen the recovery. The director general of the CBI has said:

"The UK's rating must be put beyond doubt".

I should like to hear from the Chancellor, when he stands up to speak, whether he thinks that it is a matter of Government policy to try to protect that credit rating. I should like to know whether he thinks that it is a top priority for the Treasury. That is the issue that is being discussed out there in the international market, and by domestic businesses deciding whether to invest in this country.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does my hon. Friend agree that the key point in relation to public confidence is the interest that the country will be paying on its national debt? The rate was 5 per cent. last year, and it may rise to 9 or 10 per cent. We are talking about over £65 billion, and that is surely something that the Government must address.

Mr. Osborne: My hon. Friend is absolutely right. A growing issue in British politics will be the amount of Government money that is being used just to pay the interest on this debt. That amount is larger than the schools budget. Labour Members may remember that when they stood for election to Parliament in 1997, the phrase "the bills of social failure" was used to refer to the amount of money that the Tories were spending on unemployment benefit, debt interest and the like. According to that definition, the "bills of social failure" are far higher now, under this Labour Government, although there are low interest rates at present because of the monetary policy action taken by central banks. When and if the rates start to climb—and some of the long-term rates have already begun to do so—those bills will become even larger. That is why dealing with the deficit is a prerequisite for the building of a strong and lasting recovery, and providing a platform of stability for other policies for growth.

Yes, we need lower and simpler business taxes instead of the Government's corporate tax regime, which is driving companies abroad. Yes, we need to get Britain working, and we have the reforms to do it—devised by the person who used to advise the Prime Minister. The Government's policies have left one in five young people without work. And yes, we need to sweep away the red tape that strangles our small businesses.

What happened, in the Queen's Speech, to the radical regulatory budgets that the Prime Minister told us would

"transform the culture of Whitehall"?

They have been completely abandoned. What happened to the Regulatory Policy Committee that Lord Mandelson set up with such a great fanfare? It has not met for seven months. The Business Secretary has not found any space for it in his diary between the shooting weekends. *[Interruption.]* I know all about Peter Mandelson.

We should be sending a message loud and clear: "Britain is open for business. If you invest here, create jobs here or set up businesses here, we are on your side." We need another enterprise revolution, yet there is nothing in the Queen's Speech to bring it about. "An end to boom and bust", the Government promised, and we have had the greatest boom and the deepest bust. "Leading the world out of recession", they promised, and now a recovering world leaves Britain behind. "Better prepared", they have claimed for the last year, and now we face the largest deficit crisis in the developed world.

All Labour Governments leave office with unemployment higher than when they entered office, and leave the economy in a greater mess. This Labour Government have done it in horrific style. The sooner we get rid of them the better; the sooner we can change our Government, the sooner we can have a lasting recovery.

1.10 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): We have just listened to 30 minutes of the shadow Chancellor's customary political knockabout, but we have not heard very much in the way of any specific alternative proposals he might have, which is a pity because this occasion is an opportunity for us to discuss the future of our country. This debate is taking place at a critical time, because the decisions we take now and over the next few weeks and months, particularly on the economy, will determine our future for the next five, 10 and 20 years. It is therefore very important that the debate is about how we can ensure that this country can prosper in a globalised economy, and how we can secure sustainable growth over the long term, because that is one of the best ways of restoring health to our public finances and creating jobs in the future.

[Mr. Alistair Darling]

Our approach has three strands. The first of them has been to take action to help people and businesses in order to ensure that the recession is less painful and less deep than it otherwise would have been. The Conservatives have always made it clear that they have been against each and every such step and proposal. Secondly, as I made clear in the pre-Budget report 12 months ago, in my view it was essential that as recovery was established we reduced the deficit. I set out a plan then, which was confirmed in this year's Budget, to halve the deficit over four years, because I believe that is a reasonable thing to do, but we must do it in a way that protects front-line services and does not damage the economy. Crucially, the third strand of our approach—I thought we might have heard more about this from the Opposition today—is to ensure growth, because that is very important for shaping our future.

At every stage, the Conservative party has made the wrong call. Too often, it has played politics rather than dealt with the real issues we faced. It was calling for austerity, rather than having the ambition to go for sustainable growth. Interestingly, although the hon. Member for Tatton (Mr. Osborne) managed to utter the word "growth" three or four times today, in his keynote conference speech just a few weeks ago he did not utter the word once. That is odd given that we read in the newspapers at the beginning of this week that growth is the new Conservative party mantra. Warm words will never achieve growth. What is needed to ensure we achieve it are specific proposals.

Mr. Graham Stuart (Beverley and Holderness) (Con): I am sure the Chancellor is serious in trying to deal with the critical state the country is in, but is he not disappointed that fellow members of his Cabinet see this Queen's Speech as an opportunity not to tackle the serious issues he raises, but to create dividing lines—to introduce legislation designed not to improve the state of the country, but purely to try to recover the Labour party's position?

Mr. Darling: The measures outlined in the Queen's Speech will not only improve our quality of life, but will help us make some of the long-term decisions that are needed, such as in relation to energy, and also in relation to the Bill that I shall discuss shortly, and which we will debate next week, to strengthen the responsibilities of the Financial Services Authority. These are important policy areas, but we do not have to create dividing lines, because they already clearly exist. I have just made the point that there is a big difference between the Labour and Conservative parties. We believe that the Government have a responsibility to help people and businesses as we go through one of the deepest ever recessions, but the Conservative party does not; it would have done nothing at all in response to recent events. I believe the Government can make a positive difference to the rate of growth that we achieve in the future, but the Conservative party does not agree. There are clear differences, therefore; the differences of opinion are blindingly obvious, and it is the people who must make a choice.

Stewart Hosie (Dundee, East) (SNP): I am bemused by those comments. Let me read out some quotations from *The Herald*. They appeared under the headline, "Mandelson warns of austerity 'for next decade'", and are dated 15 July:

"Lord Mandelson has raised the prospect of an age of austerity...in Britain under Labour...In the gloomiest assessment to date...the Business Secretary said there would be 'constraints for the next decade'".

If we are to discuss these matters seriously, we must stop attributing the Labour Government policy of austerity and cuts to everybody else. Instead, come clean and let us get on with it.

Mr. Darling: My noble Friend Lord Mandelson talks about growth in speeches about three or four times a week. Like the rest of us, he has been making the case for the need for the Government to take action to get growth, for example by ensuring we get more broadband and we have the right infrastructure in this country. He has been making the case.

Mr. Jeremy Browne: The record of economic growth during the current Chancellor's tenure in office is far from impressive. However, the leader of the Conservative party has been explicit on this point: during his time as leader of the Conservative party—not when he was a student politician—he said GDP was no longer the party's priority and that what mattered now was GWB, or general well-being. We know the position of the Conservative party, therefore: the Chancellor is potentially inadvertently misleading us, because we know it is not a party that has growth as its main economic priority.

Mr. Darling: I have said that I am not convinced by the Conservative party's proposals. Its policy changes very often—two focus groups and it changes. It is going for growth now because it discovered its message on austerity was not going down too well with the public. All the parties will be judged on what policies we have to help people now, to ensure we get our borrowing down and to secure growth in the future. What people want to know is how the Government can intervene to make a difference so we get long-term sustainable growth, because that is what our ability to protect jobs and secure new jobs for the future will depend upon.

Mr. Bellingham: Will the Chancellor give way?

Mr. Darling: No, I will make a little progress, but then I will come back—

Mr. Bellingham *rose*—

Mr. Darling: If the hon. Gentleman sits down nicely, I will let him back in later. I am mindful of what his ancestor did to a former Prime Minister when he fell out with him, so I will be very careful and make sure that I come back to him.

We need to be reminded of the recent action we have taken. That has made a difference, and people will look at how we reacted to what has turned out to be one of the deepest recessions ever and make a judgment on that. Let us compare what happened in the last big recession of the 1990s with current events. The extent to which Government intervention has made a difference is remarkable. It has made the downturn less painful than it otherwise would have been. In the 1990s, relative to GDP figures, twice as many households were repossessed, and about two and half times more businesses became insolvent. Crucially, relative to the fall in GDP, almost four times as many people would no longer be employed

if we had followed now the policies that were adopted then. It should also be remembered that in the 1990s and 1980s interest rates were not 0.5 per cent., as they are today. In the 1990s they were 15 per cent., and they were higher still in the 1980s. As a result of that difference between then and now, at present someone paying a mortgage of about £100,000 is saving over £200 a month, whereas in the 1990s they would have been paying over £900 more a month. That demonstrates the difference that is made when a Government are prepared to take action to help people and businesses.

Mr. Redwood: Is the Chancellor aware that most private businesses either cannot get any credit at all or are paying 10 to 20 per cent. in order to secure less credit than they actually need? He should be in the real world. It is only the public sector that borrows at somewhere near 0.5 per cent., because they are printing the money for themselves. The private sector is still in a credit crunch.

Mr. Darling: I will talk about bank lending in a moment, but let me point out something that the right hon. Gentleman will remember, because he was a Minister in the 1990s and also, I think, in the 1980s—in both those recessions. There is no doubt that one of the economic problems we faced at that time was very high interest rates that held back our economy. That was undoubtedly painful and it had to be dealt with.

Several hon. Members *rose—*

Mr. Darling: I shall now give way to the hon. Member for North-West Norfolk (Mr. Bellingham), before he turns on me.

Mr. Bellingham: The Chancellor was speaking about enterprise and wealth creation a moment ago. Can he tell the House what good the agency workers directive will do for small businesses, job creation and enterprise?

Mr. Darling: At every stage in relation to the directives that have come from the European Union, we have tried to do everything we can to ensure that we protect British jobs and have a vibrant labour market. Although unemployment in this country is too high and, unfortunately, will continue to rise for a while, one of the successes over the past few years is that because our labour market is more flexible than it used to be, unemployment here is lower than in America, France and many other countries. That is a very important factor.

Mr. Peter Bone (Wellingborough) (Con) *rose—*

Mr. Darling: I shall make further progress, and give way later.

Our support for individuals—whether we are talking about the cut in VAT, which the Institute for Fiscal Studies estimates has had the same effect as a 1 per cent. interest rate cut, the 22 million basic rate taxpayers who are paying less tax, the pensioners who have seen the benefit of our increasing the amount of capital that they can hold before they lose eligibility for pension credit, or the increase in pensions—shows that we have done everything we can to help people through this downturn. For home owners, we have managed to reduce the level of repossessions that was expected. The "time to pay" scheme has helped more than 150,000 businesses spread their payments of £4 billion-worth of tax, and at the end of the day, 95 per cent. of that is still repaid to the Revenue. The numbers involved in the scrappage scheme might be small, but it has had a tremendous effect in boosting confidence. For example, Honda has announced that production of one of its models will be moved to Swindon from Japan, and Nissan has been able to take on more people. The outlook at the beginning of this year for the automotive industry was pretty grim, but the measures that we have taken have made a difference in improving and lifting the level of confidence. None of that would have happened had the Conservative party been in power.

Mr. George Osborne: Would the Chancellor please give me his answer to the simple question that I pose: why is Britain still in recession when almost every other country in the world has come out of recession? The Prime Minister said that he would lead the world out of recession, so why has Britain lagged behind the world in coming out of recession?

Mr. Darling: First—I shall come directly to the question—I should say that I have always been of the view that we would not see positive growth until the turn of the year; I have said that on many occasions in this Chamber and elsewhere. I have always been clear that I was not expecting, even in the revision we saw yesterday—it is good that the revision is in the right direction and that the rate of contraction was less than the Office for National Statistics had thought—to see us return to growth until the turn of the year. It was inevitable that countries would come out of recession at different rates. This country has a very large financial services sector, which in the long run will be of benefit to us, provided that the sector is properly supervised and regulated. That sector has patently had to go through some very difficult conditions, and that is bound to affect the rate at which we enter recovery. I do not think there is any great mystery about that; I would have thought that that was rather an obvious point.

The hon. Gentleman made great play of the fact that we have still to come out of recession. I think it is a good thing that other countries are coming out of recession, and I should say to him that every country that has done so has one thing in common: they all put in place a stimulus to their economy. That is something that he opposed, and when America came out of recession he tried somehow to pretend that nothing had been done—even the Republican Administration took a different view, let alone President Obama and his subsequent work. The stimulus is one of the reasons why America has come out of recession, and that is a very good thing, which I support.

Mr. Osborne: The Chancellor says that it was always obvious to him that because Britain had such a large financial sector we would be among the worst affected and our recovery would be delayed. Why then did the Prime Minister say that Britain would be leading the world out of recession? What did he mean by that?

Mr. Darling: The Prime Minister has given an extraordinary lead in getting international co-operation, which has helped a great deal. I would like to think that

[Mr. Darling]

I have been fairly consistent on this. When the hon. Gentleman and I were on our respective boating trips two years ago—my boat is somewhat smaller than the one on which he was spending his time, and it does not seem to have quite the same facilities—I said, when I came ashore briefly, that I thought this downturn was going to be quite long lasting and more profound than many people thought. And that is how it has turned out.

However, I also say—I stand by this—that I am confident that we are coming out of this, and I believe that we will see growth around the turn of the year. I have been absolutely confident about that. One of the reasons for that confidence is that we have taken the action necessary to stop the pain being greater, as it would otherwise have been. Furthermore, we are prepared to take the action to ensure that as recovery is established we not only strengthen our fiscal position, but get growth for the future. We need to remember what happened in the 1980s, when we came out of recovery only to go back into recession again. It is important to try to avoid that problem.

Several hon. Members *rose—*

Mr. Darling: I will give way to the Liberal Democrat spokesman and then I will press on.

Mr. Jeremy Browne: The Chancellor said that he had always predicted that the British economy would return to growth at the turn of this year—presumably he was talking about the first quarter of 2010. However, my recollection is that the initial prediction under his Chancellorship was that the economy would return to growth in the third quarter of 2009—in July 2009—so that was not always the forecast. The forecast was revised backwards six months in the light of events. Is that not his recollection too?

Mr. Darling: If the hon. Gentleman looks at the forecasts that I made at the time of the Budget, he will see exactly what I said. I was making the point that there is no doubt that this downturn has been substantial, but I believe that the measures we are adopting are helping. One of the big things making a difference is that we have been able to get people who have lost their jobs back into work far more quickly than in the past. More than half the people who lose their jobs are back in work within three months, and almost three quarters are back in work after six months. Let us compare that with what happened in the past, when a whole generation went on the dole and stayed on it, many people finding that they were always last into jobs and first out when there was ever any difficulty. We were never prepared to accept that as an inevitable consequence of a downturn.

Rob Marris: May I ask my right hon. Friend to stress the issue of unemployment more? I believe that in his 30-minute speech the shadow Chancellor mentioned it once, in the penultimate minute. That surely shows that the Conservative party still does not care about unemployment, and still seems to think it is a price worth paying. Secondly, I should say that almost all the countries mentioned by the shadow Chancellor as starting to come out of recession have considerably higher unemployment than the United Kingdom.

Mr. Darling: That is the case: unfortunately, unemployment is 10 per cent. in America, 10 per cent. in France, 8.6 per cent. in Canada, 7.6 per cent. in Germany and 7.4 per cent. in Italy. Unemployment is higher in many other countries. This is about not just the economic responsibility of a Government, but their social responsibility to do everything possible to get people, particularly young people, back into work.

Mr. Russell Brown (Dumfries and Galloway) (Lab): My right hon. Friend mentioned that the shadow Chancellor talked about the level of unemployment among young people, stating that one in five were unemployed. Does my right hon. Friend have the figures to hand on youth unemployment under the Conservative Government?

Mr. Darling: My hon. Friend is right to say that youth unemployment in the 1980s and 1990s was one of the reasons why not only were we held back economically, but whole communities were scarred. That was especially so because a lot of the people who had lost their jobs were from particular communities that had very high unemployment. It is really important that we spend this money. The Conservative party's stance right from the start has been to oppose the action that we have taken and oppose the money that we put into the economy, including the £5 billion to help people get back into work.

Mr. Bone: Will the Chancellor give way?

Mr. Darling: Not just now. The shadow Chancellor was keen to quote people, but as we move towards a situation in which recovery is established he and his party are calling not only for opposition to the proposals that we put in last year, but for a start in cutting public expenditure now. I remind him that Dominique Strauss-Kahn of the International Monetary Fund said at the CBI earlier this week that it was

"too early for a general exit...We recommend erring on the side of caution, as exiting too early is costlier than exiting too late."

We should remember those words. If we get this wrong, if we follow the advice of the Conservative party, there is every chance that we will seriously damage the economy.

I am sure that the shadow Chancellor will have looked at yesterday's debate on the economy in the other place. I noticed that Lord Skidelsky, the author of an acclaimed biography of Keynes, said

"the fall in the deficit will come about as a consequence of the recovery of the economy and will not be the cause of it. If you try to cut the deficit now in the mistaken idea that it will boost confidence, you will simply be adding to unemployment. Do Messrs Cameron and Osborne want to hand the Government the slogan, 'If you want higher unemployment vote Conservative'? That is what their pronouncements can fairly lead people to expect."

His point was that if we get ourselves into a situation where we start cutting expenditure and damaging the economy now, before recovery is established, we will all

pay a heavy price. I wonder why Baroness Noakes, who wound up for the Conservative party in the other place last night, said:

"There is no settled view on when and how fast to cut the deficit."—[*Official Report, House of Lords*, 25 November 2009; Vol. 715, c.390, 459.]

That is not the policy of the Conservative party—its policy is to start cutting now. The Leader of the Opposition has made that clear, not least this week. Clearly, the Conservative spokesman in the other place takes a completely different view.

Mr. David Chaytor (Bury, North) (Lab): To return to the question of the deficit and the CBI conference, is not the strange paradox of the CBI's position, quoted by the shadow Chancellor earlier, the fact that it is simultaneously calling for deeper and quicker cuts to the deficit while being the most passionate advocate for big expansion in infrastructure? When it comes to Heathrow, Crossrail, high speed rail or the vast public subsidies that would go into nuclear power, the CBI wants more spending. It wants more spending on skills training and investment. Is there not some contradiction?

Mr. Darling: I noted that point when I last met the director general of the CBI. As I understand it, it is the policy of many of its members that we should maintain public expenditure, not least in the areas in which they have an interest. It is certainly the CBI's view that infrastructure spending is important. It is important, not just now but in the future.

Mr. Mark Field (Cities of London and Westminster) (Con): Given that the United Kingdom is lagging behind all other major industrial nations in coming out of this recession, does the Chancellor feel that he would have liked to have put even more money into a fiscal stimulus? If so, why did he not do so?

Mr. Darling: I announced the measures to support the economy at the pre-Budget report 12 months ago and in the Budget this year. I believed that it was necessary for us to support the economy. Some measures will cease at the end of this calendar year, such as the end to the reduction in VAT, and others, such as those governing the time to pay, which I mentioned earlier and which has been hugely beneficial to business, will continue.

The hon. Member for Cities of London and Westminster (Mr. Field) raises an important point that is worth reflecting on. Just as I think that we were right to support the economy as we did, and as we are doing at the moment, I believe that to withdraw the support now would be utter madness and completely damaging.

Of course, if we consider what has happened, the downturn in our economy and in other economies at the beginning of this year was far more severe than most people expected. Data have shown that most economies, our own included, suffered a severe shock in the first quarter of this year. To account for that, the majority of external forecasters are revising their predictions for this year and next. That is not surprising. Today, the average external forecast for 2009 is much lower than it was in April. Some, such as the OECD, are forecasting growth of minus 4.7 per cent. However, I believe that notwithstanding that we expect to see growth around the turn of this year. It is also interesting that whereas external forecasters at the time of the Budget said that my forecasts for next year were optimistic, the same external forecasters are now predicting more or less what I predicted for next year. Things have changed during the course of this year and, provided we make the right calls, they will change for the better next year and the year after.

Mr. Pelling: These are still very modest numbers in terms of economic growth, which shows the dangers of cutting public spending now and snuffing out the economy. However, I am very concerned about the story on the front of today's *Guardian* about moving public sector jobs away from the south-east. Croydon has 29 per cent. of its jobs in the public sector. Is it the Chancellor's intention to take those jobs away from Croydon to elsewhere in the country?

Mr. Darling: It is important that all parts of the country share in the benefits of public spending. I know that Croydon is a big employer, particularly through the UK Border Agency. Obviously, when we consider how to disperse jobs to different parts of the country, we do not want to damage a local economy without ensuring that we take compensatory steps. Decisions will have to be taken from agency to agency and from group of workers to group of workers, but I think that the idea of dispersing jobs is important.

A number of hon. Members mentioned financial services reform. We will return to it next week, and like the shadow Chancellor I think that we should debate the Financial Services Bill more extensively next week—I sense that that is the mood of the House. Giving statutory responsibility for financial stability is very important. As I have said on countless occasions, I do not share the shadow Chancellor's view that the FSA and the Bank of England should be merged. The fact of the merger would create a lot of uncertainty, especially at a time such as this when there is still a lot of work to be done. I believe that the organisations have distinct responsibilities and that the organisations can work together. Indeed, the new council for financial stability will ensure that proceedings are rather more open and transparent in the future, which is important. I have also made the point that other countries have many more regulators than we do.

The legislation will also provide for the implementation of the Walker report. Like the shadow Chancellor, I welcome the conclusions of Sir David Walker. We will implement them in full and the legislation will allow us to do that when we need a statutory change. There might be an argument for having more bands, or wider bands, in relation to the disclosure of income. I am not in favour of disclosing the names of individuals, for reasons that I think that most people would understand, but it is in the public interest for people to know the range of payments that are made. Sir David Walker has done a very good job of work, not least because one thing that clearly went wrong over the past two years was that it is obvious that a number of non-executive directors simply did not do their jobs. They were not asking the questions that they should have asked and they were not holding the chief executives to account. That has to stop and David Walker's measures will go some way towards ensuring that.

[Mr. Darling]

I said that supporting the economy is important and so, too, is ensuring that we strengthen our fiscal position as the recovery is established. The pre-Budget report will take place in just under two weeks, and the House will understand why I do not propose to go into any of the detail that I will need to set out at that stage. I shall return to the question of the fiscal responsibility legislation at that stage, too.

The House should be in no doubt that it is important that we should ensure that, as recovery is established, we halve the deficit over that four-year period. I set out that proposal last year and repeated it at the Budget. That remains the Government's policy and it is something that we will do. It is very important, not just because borrowing needs to come down—it has inevitably risen because of the downturn—but because it is part of the conditions that we need to ensure growth in the future. It has to be done in a way that does not damage individuals and businesses at the same time.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): As the Chancellor says, the pre-Budget report is coming soon. It will be coming at a very difficult and important time for the economy, and the House should scrutinise it effectively. In business questions, the Leader of the House said that she would not timetable debate for the pre-Budget report. Is that at the request of the Chancellor? Does he not want to see his pre-Budget report fully debated, or is he willing to have it debated and is the Leader of the House not providing him with the time for it?

Mr. Darling: I missed that exchange, exciting as it must have been. I am more than happy for the pre-Budget report to be debated and I hope that the usual channels will make that possible, preferably before the House rises for the Christmas recess. There is certainly no barrier on my part.

The shadow Chancellor was telling us that he too believed that we had to be more responsible. However, he needs to have a good look, not only at his plans for reducing the deficit, but also at the plans announced by him and his colleagues for additional spending. It is remarkable that, at a time when they are telling us that we should not be spending so much, the Opposition have produced proposals on the married couples allowance and inheritance tax, as well as on getting rid of the top rate of tax at 50p and changing pension tax relief—*[Interruption.]* Some Opposition Members ask when the shadow Chancellor said that, but he has done so at just about every opportunity. We see shadow spokesmen and spokeswomen jumping up and down promising to spend more here, there and everywhere.

The Conservative party's proposals on inheritance tax remain its policy, but I have been looking at the impact and the total cost of all its proposals. What I have mentioned so far amounts to only about £10 billion of promises, but there are others as well. The more interesting question is, who gains? We know that all the benefit from the inheritance tax proposals would go to about 2 per cent. of the largest estates, and that 98 per cent. of the public would not benefit.

Again, if we look at the Opposition's married couples allowance proposal, we find that the highest earners would receive 13 times as much of the benefit as people at the other end of the income scale. If we look at the 50p increase, it is patently obvious that people at the top end would benefit, as they would from the proposal to reverse the pension tax relief.

The Leader of the Opposition said that his party cared about poverty and inequality, but it is not surprising that he was cheered at the Tory party conference. People there obviously knew that he did not mean it and that he would not let the richest down. The Conservative proposals would benefit people at the top end of the income scale. Nothing has changed with the Conservative party.

Mr. George Osborne: For the sake of the record, will the Chancellor confirm that the Government are proceeding with their cuts in inheritance tax for the next financial year?

Mr. Darling: The hon. Gentleman will have to wait until the pre-Budget report for details on all tax matters. What I am not proposing to do is to make changes to inheritance tax whose only beneficiaries would be a handful of people. As the hon. Gentleman probably knows, they are the ones who stand to gain from his proposals. Nor will I introduce a change to the married couples allowance that would mean that the highest earners would get 13 times as much as other people. At a time like this, that seems to me to be grossly unfair and wrong.

Mr. Osborne: I asked a very specific question. In the 2007 PBR—and people will remember that that was a week after the Tory conference—the Chancellor announced a three-part cut to inheritance tax. The third part of that cut is due to take place in April next year. I want to know whether the Government are still committed to the plans set out in their previous Budgets.

Mr. Darling: As I said, the hon. Gentleman will have to wait until the PBR for details on all matters of tax. He would expect that at this time, but I repeat that his policies are not just the wrong things to do for the economy. At a time like this, it cannot be right to go out of his way to give the tax cuts that he is proposing to people at the top end of the income scale. That seems absolute nonsense—

Mr. Osborne: Will the Chancellor give way on that point?

Mr. Darling: No, as I have given way on it already.

Mr. Osborne: Will the right hon. Gentleman give way?

Mr. Darling: Once more, and that is the lot.

Mr. Osborne: I want to press the Chancellor on this point. He is introducing a 50p tax rate next April. I presume that that will go ahead and that we do not have to wait until the PBR for confirmation. He has announced pre-financed plans for a cut in inheritance tax next April, and I want to know whether that cut will take place or not.

Mr. Darling: I did not think that the hon. Gentleman would be adding anything new to the debate.

Rob Marris: His friends want to know.

Mr. Darling: From a sedentary position, my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) says that the shadow Chancellor's friends want to know. That is probably absolutely right.

I want to conclude by saying that the one matter about which I expected the shadow Chancellor to have something to say was growth, yet he said absolutely nothing about it. We must make sure, for the sake of skills and employment, that we have the right infrastructure in the future. That is essential, especially in the transport and energy sectors, where this country has been badly served over decades. We are beginning to make real changes, and to see real improvements. It is also essential to support businesses, when it is right for the Government to do so. If we do not, we simply will not see the growth that we expect.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab) *rose—*

Justine Greening (Putney) (Con) *rose—*

Dr. William McCrea (South Antrim) (DUP) *rose—*

Mr. Darling: I give way first to my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke).

Mr. Clarke: I am very grateful to my right hon. Friend. I believe that the Government behaved very courageously when they repeated the commitment to devoting 0.7 of gross national income to overseas aid by 2013. We have heard absolutely nothing from the official Opposition on that. Does that omission concern him as it does me?

Mr. Darling: That is another subject about which I have heard many Opposition Members talk, but my right hon. Friend is absolutely right. Our commitment to development is very important: it is part of our responsibility and it is in the interests of this country.

I shall give way to both of the other hon. Members who rose, and then I shall stop.

Justine Greening: I am grateful to the Chancellor for giving way, but an examination of spending habits suggests that people in the top 10 per cent. income bracket will gain nearly £800 a year from his VAT cut, while those in the bottom 10 per cent. will gain only about £100. That VAT stimulus will be paid for through a rise in national insurance payments that will tax jobs that otherwise would have gone to unemployed people. Does he not agree that that is surely totally inequitable?

Mr. Darling: I do not agree. I know the view that the hon. Lady takes on the VAT cut in general, but I think that it has benefited the whole economy and the whole population. It is nothing like as skewed as some of the proposals that she backs—such as those on inheritance tax, for example.

I shall give way for the final time to the hon. Member for South Antrim (Dr. McCrea).

Dr. McCrea: I thank the Chancellor for giving way. He is talking about growth, which is very important, but does he accept that many small and medium-sized businesses are struggling? They need more consideration so that they can get bank loans at a reasonable interest rate. What more can he do about that?

Mr. Darling: I agree with the hon. Gentleman. The figures show that the amount of commercial lending is broadly the same now as it was just before we got into the banking problems in August 2007. Many businesses, for understandable reasons, have repaid very substantial sums, but we still have to make sure that credit flows into the economy—something that is particularly important as the economy begins to recover. That is why we are continuing to work closely with all the banks, and not just the ones that we own, to make sure that the credit is available. It is also of critical importance that people are able to see how much that credit costs, not just in terms of interest rates but in terms of fees and everything else. That is important in every part of the country, including Northern Ireland.

It is absolutely essential to have a policy on growth, and it is quite clear that the Opposition do not have one. Growth was barely mentioned in the shadow Chancellor's speech today, but the Government have taken action in relation to broadband provision, businesses, innovation and planning to ensure that we do get growth in the future.

People cannot say that they want to go for growth while in the same breath they commit to pulling support from the economy. We have to make sure that we get the economy into recovery. We need to get that recovery established, and ensure that we reduce our borrowing over a four-year period in a way that does not damage the economy. That is very important, but it is also important that we get growth for the long-term future.

In today's debate, we have had confirmation that the Opposition would not have done what was necessary 12 months ago. They have opposed every measure that the Government have introduced. They had no answers then, and it is clear that they have none now.

This Queen's Speech sets out some important measures that will make a difference to the economy. I commend the Gracious Speech to the House.

1.48 pm

Dr. Vincent Cable (Twickenham) (LD): My party's approach to the Queen's Speech is summarised in the amendment put forward by my party leader and my colleagues. Essentially, it is that the limited time that remains in this Parliament should be used for some modest political reforms and that devoting it to the range of legislation proposed in the Queen's Speech is not justified. However, two economic Bills—on fiscal policy and on banking—have been announced and it seems appropriate that we take the opportunity to discuss them.

I shall start with the question raised by the Conservative spokesman concerning Britain's place in the current economic crisis. It seems a good place to start: why is Britain in the worrying position of having suffered a recession that is deeper and longer than that faced by other developed countries?

[Dr. Vincent Cable]

Essentially, there are two reasons. One is that the consumer boom, which was based on inflated asset prices—particularly for housing—and consumer debt, was allowed to get out of control. There was a great deal of complacency about that.

The bigger reason, which the Chancellor has just given from the Dispatch Box, is that Britain is unusually dependent on the banking sector. We had a major international banking crisis; British banks' balance sheets account for roughly 4 to 5 per cent. of our gross domestic product—far in excess of the United States or most European countries. It was inevitable in those circumstances that a major banking crisis would inflict great damage on the British economy. In that sense, the Chancellor was absolutely right in his analysis. It is unfortunate that his predecessor, now the Prime Minister, went around claiming that we would get out of this recession much sooner than everyone else, because the underlying structural problems were so obvious, and the Chancellor has correctly identified them.

Let me proceed to two specific issues, one of which is the fiscal responsibility Bill. We have all had our fun with it. The Conservative spokesman had a bit of fun today, with jokes about the Chancellor being hauled off to the Tower of London, and about unenforceable legislation. I shall try to approach it in a different way, to try to understand what the Government are trying to do.

Is there a role for declaratory legislation, which sets an objective that is not intended to be enforced or cannot be enforced? Does such legislation actually have a role? The point that has been made to me, and has also been made from the Back Benches, is that such legislation has been introduced in other contexts; for example, climate change. I think all parties have signed up to targets in that context. That is a serious point.

There are two differences, however. First, setting quantitative targets that have a major impact on long-term business planning is different from setting financial targets in a rapidly moving economic world. There is a fundamental difference. The climate change targets are important, too, because they link directly to treaty obligations, so there is an argument for embedding them in law. I accept that. It is an interesting precedent for the law being used to set good objectives that cannot be enforced. Let us apply it to the present case. Is it sensible or helpful for the Government's fiscal objectives, which I think are to halve their estimate of the structural deficit within a Parliament, to be embodied in law?

The Government have created a dilemma for themselves. If there is a rapid economic recovery, which I know the Government hope for and some of their projections suggest will happen, the objectives are far too modest, because if there is rapid growth it will be possible to reduce the fiscal deficit more rapidly. On the other hand if, as I fear may be the case, the British economy does not recover rapidly, we shall have all kinds of impediments. The banking system will not be working properly. The monetary policy stimulus will have to be terminated within the next year or so, in all probability, so we shall not have growth. In those circumstances, the Government's modest objectives may be much more realistic. However, we do not know which of those two futures will evolve.

There is a particular difficulty with the position that the Conservative shadow Chancellor has taken. He assumes that the next Government, or this one, can somehow create rapid economic growth. Going back to the early days when the Prime Minister was in his ascendancy and the Secretary of State for Children, Schools and Families was at his side, they claimed that they had in some way changed the fundamentals of British economic growth. The rather mundane truth is that the underlying rate of economic growth in Britain has been pretty much unchanged since the Napoleonic wars. Different Governments claim that they have found a magic formula—Mrs. Thatcher did, as did the present Prime Minister—but of course they do not fundamentally change anything. Underlying growth is likely to be quite modest, in which case there will be a significant effect on what it is possible to do in terms of fiscal policy.

If we enter a period of rapid growth, the Government's aims will be too modest. There is a real danger that we shall get stuck in a slowly growing, recession-hit economy for a significant period, with high levels of unemployment. If that were the case, it would be disastrous to embark on rapid deep cuts in public spending in the short run. It would be completely inappropriate. Because we do not know what conditions will be, it seems foolish to set targets in stone in legislative form.

Does that mean that the legislation is completely pointless? No, there is a role for legislation to strengthen the fiscal framework. I am probably not too far from the Conservative spokesman in his belief that we need an additional independent element in fiscal policy, as we have in monetary policy with the Bank of England. However, my party's approach would be more modest. There is probably an argument for giving the National Audit Office a stronger role in auditing what the Government have done—not just their forecasts as at present. The NAO could make an assessment about whether the Government have delivered on their targets.

We have already had some strengthening of the legislation regarding the independence of the statistics office. That was a step forward and there is an argument for an independent audit role—an Ofsted—on fiscal policy. I agree with that, although I should not create quite such an elaborate institution as the Conservative spokesman proposes. None the less, there is a role for strengthening the institutional backbone of fiscal policy.

I switch to the other, much bigger subject: what is happening in the banking system. Over the past couple of days, we have been reminded in several ways that major problems are still unresolved. There was yesterday's Supreme Court ruling on banks imposing what many people regard as unfair charges. There were also the revelations about the so-called secret loans. Today, we have seen the pathetic report from a City insider—the Walker report, which is an absolute disgrace. Before I came to the Chamber today, I was in a television studio with Lord Myners, whose eyes were rolling in embarrassment as he tried to explain away the fact that the Government are committed to that rather pathetic and limited document.

Mr. Graham Stuart: Does the hon. Gentleman agree that although the covert lending was probably right in the circumstances, it was unethical for the Government then to lean on another bank and broker a deal under which shareholders could not be told about the covert

loan? One bank merged with another with a huge loss of shareholder value. Even if we accept that the covert loan should have happened, we cannot accept mergers of institutions without openness, truth and transparency about what is really happening.

Dr. Cable: I think that was exactly what I said yesterday in relation to Lloyds bank. Equally, I said, and meant, that it was right for the Government to support the banking system and that there was a role for covert lending. I have no difficulty with that. I just want to make it clear, as I have done many times in the past, that although I have major disagreements with the way the Government managed the economy up to the crisis and with the way they have managed the banking system since, the intervention last October was right in almost every respect. It was right to give the guarantees, to make major Government equity investment and partially to nationalise the banking system. I do not retract that in any way.

However, major problems are unresolved and the Government have been failing by not addressing them. The first—where the Conservative spokesman rightly started—is the failure of lending. As information trickles out, we are discovering that although Lloyds is broadly meeting its gross lending objective, its net lending flows are very limited indeed. NatWest and RBS are failing even to meet the limited lending objectives they were set. One noticed in the press last week that RBS was willing to cough up enormous sums to help Kraft to take over Cadbury, but that semi-nationalised bank is still unwilling to lend to very large numbers of good, solvent British companies. They have a good credit history and track record, yet they cannot get credit on reasonable terms. There is a major policy failure, which is the failure of Government representatives in United Kingdom Financial Investments Ltd to make it absolutely clear that the banks have an obligation to act in the national interest.

Mr. Mark Field: Although I accept what the hon. Gentleman says, does he not feel that a fundamental problem is that huge amounts of toxic assets in our banks have still not been identified? That is the main failing. He is right to point out that it has been manifested in the lack of credit for small and medium-sized enterprises, but many people regard the unravelling of toxic assets as work that is very much in progress. It will take another two years.

Dr. Cable: The unravelling of the toxic asset problem may take a decade, which was the experience in many other banking crises. In the meantime, there is absolutely no reason why a clear steer should not be given to the nationalised and semi-nationalised banks to maintain a lending policy that helps to sustain the British economy, but that is clearly not happening.

The second big issue, which is not being addressed properly, is the structure of the banks. The Chancellor always groans when I raise the subject with him, and comes back with his prepared line: "That's got nothing to do with the structure of the banks, and it was small, narrow banks such as Northern Rock that collapsed." I do not particularly want to turn this into a personal argument with him; I simply suggest that he reads the evidence that the Governor of the Bank of England yesterday gave to the Treasury Committee.

The Governor said exactly what we Liberal Democrats have been saying: the structure of the British banks is not sustainable, and that is a serious problem. That problem does not centre entirely on the issue of the links between the narrow banks and the so-called casino banks, but he is seriously concerned. He is absolutely right to be concerned, because some of our very large global banks, which, for the most part, happen to have large investment banking operations, are expanding, or wish to expand, on the back of the Government guarantee. We know that in future crises, that guarantee will be called, as it was in this crisis. That is not an acceptable or sustainable position.

At some point in the near future, the Government will have an obligation to intervene to break up the very large banks, so that those banks do not create such a degree of risk. I am not sufficiently expert on the banking system to be precise on how that is to be done, but it could be done in different ways. The Government must respond. I do not expect them to respond to me, but I expect them to respond to the warnings of the Governor of the Bank of England, who continues to point out that the issue is the major unresolved problem; it has not been addressed.

On the issue of bonuses and remuneration, I have read the relevant sections of the Walker report. It pretty much reiterates what was said some months ago by Lord Turner, and what was already largely agreed at the G20. The issue is implementation, and how we create a regime in which bonuses are paid predominantly in shares, rather than cash. My question for the Government is whether legislation is necessary to achieve that purpose. I am not a parliamentary draftsman or a lawyer. I was under the impression that the financial services legislation and the powers devolved to the Financial Services Authority were adequate to allow it to impose an appropriate regime on the banks. Is that the case? What legal advice available to the Government has told them that they have to come back with yet another banking Bill to introduce measures that the FSA has clearly said are absolutely necessary to maintain the stability of the system?

The Walker report became a topical issue today, particularly as it relates to transparency and disclosure. There has been a movement in the argument over the past few months. It was clear that Ministers expected and wanted the Walker report to propose full disclosure in relation to not just the generality of what they call top-end employees, but those employees' individual rewards. The Walker report has clearly backed off from making that recommendation under pressure.

I think that Lord Myners is on record as having said that he saw no problem with individual disclosure. Why should there be a problem with it? Board members of public limited companies disclose their emoluments. What is there to hide? We are not talking about private companies that are completely independent. I can well understand why an entrepreneur setting up an engineering company—a private company—might wish to protect their privacy and not declare all their income, except to the tax man, but why should that apply in the cases that we are discussing? The banks in question are ultimately guaranteed by the taxpayer, and have an obligation.

We have had an embarrassing light shone on dark corners in this House in the past few months. It has been quite painful, but I think that most people now accept that it was legitimate to shine that light, and that

[Dr. Cable]

it is fundamentally healthy, in the long run, for there to be more transparency. That applies not just to Members of Parliament, but to other people in society, particularly those who depend on a taxpayer guarantee. The Government should have absolutely no inhibition in demanding individual disclosure. That is the central weakness of the Walker report recommendation. I note, however, that the Chancellor appears to be conceding that £1 million is perhaps a little bit too high an amount at which to set the poverty level in the City; he seems to be willing to drop that amount a little, and that is a step forward. On the question of individual disclosure, the report is, frankly, pathetically weak. Stronger action from the Government is needed.

I agree with quite a lot of the things that the Conservative shadow Chancellor said, but he has a phrase that he invented: "We're all in this together." The truth is that we are not all in this together. Some people have done extraordinarily well out of the crisis. There is enormous prosperity in parts of the country, much of it unearned and much of it lucky. At the same time, there is enormous poverty and hardship, and there are people struggling with unemployment. We need to reflect our concerns about those widening inequalities of income and wealth in the tax system, and in how we approach the regulation of remuneration.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Before I call the next speaker, may I remind the House that Mr. Speaker has placed a 10-minute limit on speeches? That applies from now.

2.5 pm

Mr. Andrew Smith (Oxford, East) (Lab): I welcome the Government's measures in the legislative programme, just as I welcome the steps that they have taken to get the economy growing again. The extraordinary global crisis that we have been through has reinforced the case for strong Government action, and there is no doubt that the action that our Government and others have taken has made the difference between recession and depression, and has shortened the period of recession.

I would like to flag up two areas of concern, where a positive response from Ministers could make our programme even stronger. One is the position of mutuals, an issue to which others have referred on other days in this debate. Successful mutual financial institutions have particular strengths, in terms of a sensible balance between their borrowing and lending policies. They enjoy greater trust, especially among customers, than most banks. They are important to many communities and families throughout the country and, of course, they are critical for the housing market.

It is crucial that mutuals should not suffer from distortion of the financial markets because of the huge amounts of money and effective underwriting that the Government have had to provide for the banks. There is widespread concern about that among building societies. That concern was voiced a couple of weeks ago by the Building Societies Association chairman, Graham Beale, who said that in circumstances in which financial institutions were trying to refinance their balance sheets in the retail rather than the wholesale market:

"The net consequence is that the margin between savings rates and mortgage rates has been eroded.

But the demand for retail deposits is so intense that rates have been pushed up in some cases to uneconomic levels. And this is often by institutions that carry real or implied unlimited guarantees because of their full or part state ownership."

Similar pressures and potential distortions operate in the wholesale and inter-bank markets. The building societies that are able to access those markets face a bigger differential, as compared with the banks, than they did a few years ago. I hope that the Minister who replies to the debate can give me an assurance that the Government and the Financial Services Authority are fully seized of that, and of the importance of ensuring fair conditions and regulations for the building society sector. It would be an utter tragedy if the action taken to rescue the public from the banks that were responsible for the financial mess had the perverse consequence of weakening the building societies, which were not responsible for it.

The second issue that I want to raise, which has not featured much so far this afternoon, is the importance of environmental sustainability and responsibility in bank regulation in general, and in the lending policies of banks sustained by public funds in particular. Let us take the example of the Royal Bank of Scotland. *The Guardian* reported on 2 March this year that in the six months following the initial bail-out, RBS had been involved in financing loans worth nearly £10 billion to coal, oil and gas companies. That is more than a quarter of the amount that the bank had received from taxpayers at that point. Its loans finance oil exploitation in conflict regions in Africa and south Asia, drilling in untouched areas of the Arctic, tar sands oil extraction, and open-cast mining. We need to question very seriously whether, at a time when we rightly voice the priority that must be given to combating climate change, those are the investment priorities that public funds should be underwriting.

I ask the Government to consider the environmental conditions that they should place on the bailed-out banks' use of public money, and I commend to my right hon. Friend the Chancellor and his colleagues the excellent book by Nick Silver, chair of the actuarial profession's resource and environment group, who, in conjunction with a number of environmental non-governmental organisations, puts the case for RBS becoming a bank of sustainability.

There are three main thrusts to the argument. First, UK Financial Investments Ltd, as the custodian of the public interest, should ensure that RBS and others in which it holds a stake follow good practice for institutional investors in relation to environmental, social and governance considerations. The Government also have environmental and social obligations, so they should go further and seek positive incentives for environmentally sustainable investment policies, including targets for, and the monitoring of, cuts in damaging emissions.

Secondly, as RBS is an important provider of finance to fossil-fuel and carbon-intensive industries, it, together with the businesses in which it invests, is attempting to externalise the risks of climate change which, sooner or later, will fall on taxpayers. Those are the same taxpayers who now own RBS, so those external costs are no longer carried by a third party. We can cut the long-term cost to the taxpayer by acting now on sustainability. That is the important message.

Thirdly, if we are to cut our carbon-reduction targets, we need a huge increase in investment in low-carbon industries and renewable energy. I know that the Government accept that point, and clearly RBS could play a big and environmentally beneficial role, by making good use of its expertise in renewable energy. The Environmental Audit Committee commended that approach to the Government in its report on 10 March, when it recommended that

"the Treasury examine and report on how some form of environmental criteria for the investment strategies these"—

Government-controlled—

"banks pursue might be imposed, and what impacts this might have on UK sustainable development objectives."

I hope that the Government will see the good sense in those ideas, and I am pleased that my good and right hon. Friend the Chancellor is here to hear them. There is enough of the Treasury chip still in my brain for me to know how resistant Treasury culture will be to those ideas, but they raise vital issues that will not go away. If there is a global danger even more potent than financial meltdown, it is climate change. It is surely right that, in pumping billions into the banking sector and looking at how to regulate it against financial irresponsibility, we put in place requirements for environmental responsibility to help the world to avert climate catastrophe.

2.13 pm

Mr. Edward Leigh (Gainsborough) (Con): I am just about to refer to the Chancellor, so, as he is leaving the Chamber, I hope that he will not mind if I take issue with what he said earlier this afternoon. My point relates to the very serious matter of the loan that was made to HBOS and RBS. I am not arguing with the principle that the Government wanted to keep it secret so as not to destabilise the markets; I am saying that there are clearly established protocols, whereby, when the Government decide to give an indemnity in secret—for instance, on a matter affecting national security—they must inform Parliament in confidence through the Chairman of the Public Accounts Committee and the Chairman of the Select Committee on the Treasury.

There is a very good reason why. It is not my amour-propre, or that of the Treasury Committee Chairman, who is equally upset about the matter; it is because if I, as the Chairman of the PAC, had been informed of the matter, I would have told nobody. I would not have told anybody from my party's Front-Bench team or anybody else. I would, however, have discussed it with one person—and one person only: the Comptroller and Auditor General. He is the auditor of the Government, an independent figure, and he would have checked matters out and ensured that the whole thing was kosher. That is why he is there, and he would have done so in complete confidence.

Over the eight years that I have been Chairman of the Public Accounts Committee, I have been told in confidence of many instances, particularly concerning national security, when the Government have had to issue indemnity. I have never leaked a single thing. In the 150-year history of the PAC, no Chairman has ever leaked anything that has ever been given to them of that nature. It is a serious matter—that, contrary to all those protocols and conventions, the Government decided not to inform Parliament in confidence through the Chairmen of those two Committees.

Even more seriously, I believe that the reason I was written to this week, 13 months late, is that the National Audit Office was closing in. The NAO's report on the banking support measures is imminent, and earlier the Treasury Committee Chairman spoke, on a point of order, in much stronger terms than myself. He said that he believed that the NAO was closing in and the Government decided that they had to release the information now, 13 months late. That is a serious matter, and I shall not let it go.

I shall keep pursuing it, because this is why Parliament is set up—to protect the interests of the taxpayer and the people of this country. Occasionally Governments have to do things in secret and to protect the markets, but if they do, they have to observe the protocols. They did not do so, and for the Chancellor to tell me yesterday that he was absolved from doing so by the Banking Act 2009, which by the way came into force months after the indemnity was given, is not good enough. I shall leave the matter there, but we must return to it.

Like all other hon. Members who have spoken, I want to express extraordinary concern about the fact that, as of 31 October, total public sector debt stood at £829 billion. That is 59 per cent. of total national output. My hon. Friend the shadow Chancellor made the point that there is now a very real danger that the ratings agencies—Moody's, Standard and Poor's and so on—may start to question the UK's ability to pay its debt and downgrade the triple A rating that we currently enjoy. That would make it more expensive for all of us to borrow. For the UK and for corporations, lower investment in the UK and higher unemployment could result, leading to a disastrous double-dip recession.

Let us forget party politics for a moment. There is no choice: we have to address the deficit. The Government tell us that they are, indeed, going to reduce the deficit by half by the end of the next Parliament, but they have offered only broad clues about what they intend to do, with hints at tax increases and spending cuts. They are only hints, however; there are few detailed policies. There was one detailed policy, which would have saved only £300 million, and that was a pay freeze for top public sector earners. That is £300 million; it is nothing. Surely the people of this country, or Parliament, must have some idea of what the Government, if they are re-elected, will do to try to deal with public sector debt of £829 billion.

I shall not get involved in great macro-economic arguments with any ideas that I might have; I shall go right down to the micro level. I have now chaired the best part of 400 PAC sessions, in which we have looked at Government efficiency, and one way in which we can climb out of this black hole—it is only one way in which we will achieve only part of the object—is to carry out Government programmes much more efficiently.

I am worried that if a new Government are elected in May, or even if this Government are re-elected, Ministers, for instance at the Ministry of Defence, will be under Treasury instructions to cut x per cent. off their budget. So, the number of new aircraft carriers may be reduced from two to one; there may be a question mark over the joint strike fighter; or the number of Trident submarines may be reduced from four to three. In other words, the MOD will get up to its old tricks of moving programmes sideways and delaying them. But what about the efficiency of the procurement executive? New Ministers will have to get to grips with that issue on day one, and they may

[Mr. Edward Leigh]

have to bring in outside help. We cannot allow the public sector, particularly the civil service, to continue with layers of management which simply do not exist in the private sector.

The PAC has, I think, made some progress in the past eight years. We can make only so much, but we have identified proven savings—I wrote to the Chancellor earlier this week on the matter—of £4 billion. However, we have now gone further and identified another £9 billion that we can save without changing a single policy. I know that this is the detail of the debate and that it is not as exciting as the party political debate, but £9 billion is a serious amount of money and it can be saved. The savings have all been audited by the National Audit Office, representatives of which come to our Committee. If the recommendations we have made in the past eight years had been carried out, we could have saved not only the £4 billion, but another £9 billion.

I shall give a few examples. Some £1.4 billion could be saved by Departments sharing back-office services such as finance and human resources; and £2.5 billion could be saved by all Departments matching the level of staff cost reductions achieved by the Department for Work and Pensions, Her Majesty's Revenue and Customs and the Ministry of Defence. Even a relatively simple twist of the hellishly complex benefits system could save a staggering £110 million, which would be a start. If the whole of Whitehall matched the example of some Departments in reducing running costs such as those for accommodation and IT, more than £1.3 billion could be saved. There is more. Improving how the public sector contracts and manages construction projects could save more than £2.6 billion, and developing the commercial skills of those who wield the Government's significant buying power could realise potential savings of more than £700 million, through cannier procurement of goods and services. Better use of consultants—the Committee has done a lot of work on them—alone could save £400 million. That is £9 billion just there.

I am not making a sales pitch for the PAC. I believe that there must be a total change of attitude in the public sector; that Ministers and civil servants should assume that when they are spending public money, it is as if they are spending from their own personal bank accounts; and that the days of rapid rises in spending are now over.

Actually, in a way, the days of targets may be over, because targets work in a growing budget. Typically, in the past 12 years, the Government have come out with a worthy objective and required the civil service to carry it out. When that did not happen, the Government had to impose targets. It is going to be very difficult to impose targets on a shrinking, contracting budget. The Government are going to have to trust professionals and cap their budgets in the health and education services, and they are going to have to ensure that our civil servants and managers deliver services to the front line, and not cut them while protecting their own jobs. That is not a good enough attitude from our public servants.

2.22 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): May I begin by saying that I welcome the economic measures in this Queen's Speech? I believe that they demonstrate the continued importance of the Government performing a substantial role in bringing this country out of a worldwide recession.

It never ceases to amaze me that the Government's critics seem conveniently to have forgotten the cause, scale and unknown depth of this recession. In the context of employment, this year alone 38 million jobs will be lost worldwide, in which case Britain has done exceptionally well to withstand the hurricane of job losses devastating the jobs market around the world. Without Government action, a further 500,000 jobs would have been lost. Cutting VAT and cutting income tax were designed to help people and support the economy; 150,000 businesses were given more time to pay their tax bills; and unprecedented measures have been put in place to help 300,000 people stay in their own homes.

The Queen's Speech sets out a programme of tough action on the big issues that matter to people. There is of course an alternative vision, which I would characterise as fundamentally pessimistic. The claim that Britain is broken is simply not true and I will offer my rebuttal in due course in this speech. Nor is it true to say there is no alternative to looking towards an age of austerity. Leaving people to sink or swim in a recession is an untenable, unforgivable and unworthy stance, and this Government can never be accused of taking it.

Of course, this is a difficult period for our country but we need to remain optimistic. Britain has a bright future based on its greatest strength: the talent and enterprise of our people. There will be difficult decisions as we move out of this recession, but the answer is not to drain the life blood out of our constituents nor drain them of confidence and hope for the future. It would be a grave mistake to end the economic stimulus at this time. We have learned that when Government do nothing, the market does not necessarily always provide. Choking off recovery by turning off the life support prematurely would be fatal to growth, jobs, prosperity and our capacity to grow, not just for now, but for years to come.

I particularly welcome the proposed measures in the Financial Services Bill, which demonstrate how the Government can provide the regulatory framework for a prosperous but stable financial sector. In the past year, I have received more inquiries from small businesses in my constituency than ever before. In the main, they have been about bank lending. I have made those representations known to my right hon. Friend the Chancellor, including as recently as yesterday, and I am delighted to acknowledge that the Prime Minister in his recent speech to the CBI said that RBS and Lloyds, backed by the Government, will provide £27 billion of new lending for businesses this year and next and that other banks will follow. That is exactly the leadership language and action that small businesses up and down the country want. That is why the business community will always reject the notion of austere government.

I am acutely aware that the construction industry has suffered during this recession. Re-igniting house building programmes would help not only the industry, but those who seek to find homes for themselves in future. I should like to cite just a couple of ideas that resonate with many in the construction industry, namely placing new obligations on banks proactively to lend to small and medium-sized enterprises, and making mortgage finance available to key first-time buyers who are priced out of the market by exorbitant deposit requirements.

In my view we will never get the demand back into the housing market unless there are some special provisions for first-time buyers.

Recently in my constituency, I had a meeting with Scottish Enterprise officials. The subject under discussion was the failure by some banks to lend to small businesses. However, that should now start to change. I urged Scottish Enterprise, as I do again today, to step up its efforts, and stressed that, in a time of recession and given the considerable public investment in Gartcosh business park in my constituency, it was time that the full potential of this site was realised. In terms of vision, location, connections and opportunity, this site has it all, and more importantly it has the capacity to employ around 1,200 people. That is what I want to see happen sooner rather than later, as a quarter of a century is a long time to wait. When that does happen, unemployment in my constituency will start to fall dramatically.

I am also pleased that there is much activity in the business start-up rate. In Lanarkshire, 2,000 individuals have been provided with pre-start-up advice. Total starts are well ahead of the same period last year. There is still a healthy number of higher growth prospects in the pipeline, but difficulties raising finance are obvious. We have a vibrant local business community in my constituency. While I applaud the steps that the Government and other agencies have taken to help, there is always more that we can do. I know that the Chancellor is working hard to increase lending, and I ask him to continue to work hard for small businesses. We may see more evidence of that in his pre-Budget report.

I end by paying tribute to North Lanarkshire council which successfully bid for 1,080 jobs from the Government's future jobs fund. This stimulus has helped bring the country to the verge of recovery as predicted earlier this year. I am glad that the Government are manifestly helping families through this difficult period. What it proves is that business prospers when the Government invest and regulate sensibly. There is no question but that the Chancellor and the Prime Minister have won the argument here in the United Kingdom, and their leadership skills during this economic crisis are admired around the world.

2.31 pm

Peter Luff (Mid-Worcestershire) (Con): It is a privilege to follow the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who is one of the most decent and loyal Members of the House. I share his optimism about the prospects for our nation, but we need to admit that our society, politics and economy are all broken and need a fresh approach.

If more time had been available, I would have liked to paint some of the background to the economy that underlies my concerns and to talk at length about the issues confronting the unemployed, especially the young unemployed. It was an unusual deviation from his normal high standards for my good friend the hon. Member for Wolverhampton, South-West (Rob Marris) to say that because we did not talk about unemployment much, we do not care about it. Of course we care passionately about unemployment, but I do not have the time to talk at the length that I would wish.

The Queen's Speech has four characteristics, which are some genuinely good things; some dividing lines, which we would be better off without; some missed opportunities; and some very good intentions, although we all know what the road to hell is paved with. The good things include the ban on cluster munitions, which is absolutely right albeit far too late, and the home-school contracts, a very good idea from this side of the House. I welcome those aspects of the Queen's Speech.

I am the Chairman of a Select Committee and I do not want to be too partisan today, but the dividing lines worry me. My hon. Friend the shadow Chancellor set them out well in his opening remarks and I say as a parliamentarian, and more in sorrow than in anger, that a Government at the end of their allotted span should be concerned about the good of the country, not trying to wrong-foot the Opposition. It is a shame that the Government do not realise where their priorities should lie. It amuses me sometimes when with some justice things blow up in their face. For example, the free personal care proposals in the Queen's Speech blew up in their face, just like the 10p tax rate. Dividing lines do not always benefit those who seek to do the dividing.

The tragedy is that the good intentions in the Bill are often also used to seek to divide. The commitment to continue to enshrine in law the abolition of child poverty by 2020 is an honourable aspiration, although one might ask why 2020 and not 2018 or 2022. As for the intention to legislate to halve the deficit, halving or reducing the deficit is clearly a good idea, but why halving? Why do we need legislation to do that in the first place? That point was ably made by the shadow Chancellor and the Liberal Democrat Treasury spokesman. To ask who would be prosecuted if we fail and what would be the legal sanction is to understand the folly of the proposal. Who is being prosecuted for the Government's failure to meet fuel poverty targets? As far as I am aware, no one is.

We do not need legislation on such issues. We share a commitment across the House to achieving those things in different ways, to different time scales or by different methods. It is not the legislation that matters: it is the action that we should be taking. What we should have heard from the Government is a clearer establishment of their priorities, not their spurious legislative intentions.

Protecting our long-term competitiveness as a nation requires action, not law, as well as some difficult decisions. To be fair to the Government, they are taking some of those difficult decisions, as well as some easy ones. I wish publicly to thank the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Wrexham (Ian Lucas), for the announcement he made yesterday about the filling of the post of chief construction adviser. That is a valuable response by the Government to a recommendation from my Select Committee that will greatly help the construction industry to improve its relationship with Government. I am really pleased about that.

Let me say another public "thank you" to the Minister. Towards the end of the previous Session, he gave me a rather churlish reply to a parliamentary question on the national competency strategy, but he has responded magnificently today with what appears to be a good strategy and the welcome announcement of a major national composite centre of excellence centred on Bristol, which is the right place to put it. That sounds like a very boring and anoraky subject to those who do not understand it, but composite technology lies at the heart of our economic competitiveness, particularly in the aerospace

[Peter Luff]

sector and, as the document—I have not read it in detail—rightly says, in the manufacture of wind turbine blades. It is applicable in a whole stack of areas, including marine renewables technology, that require composites that do not corrode like metal. There are huge opportunities, so well done to the Government on that—although it would be good to get the same amount of enthusiasm behind getting the automotive assistance scheme up and working.

There are some difficult decisions to take in the context of the severe budget constraints that we all know we face, Conservative Members included. If I argue that we should not cut funding for university research, as I think that we should not, what conclusions do I reach on other aspects of Government spending? If I also think that the budget of UK Trade & Investment should probably be protected to help our exporters to export out of recession and bring wealth to the country, what further compromises do I have to make? I was struck by the fact that the radical proposals by the Institute of Directors to slash £50 billion from public spending also exempted UKTI from the axe.

In the dying months of this Government, we need a focus on action, not legislation. I worry that such declaratory legislation takes time away from issues on which we do need to legislate; it distracts us with unworthy debates that we do not need to have. I think particularly of what is, for me, perhaps the most important Bill in the Queen's Speech—the Digital Economy Bill. That raises some hugely important questions that we started to tease out with the Under-Secretary of State for Business, Innovation and Skills, the right hon. Member for East Ham (Mr. Timms), who is also Financial Secretary, a couple of days ago. We do not know what the 2 megabits per second universal service obligation mentioned in the Bill really means, which is worrying. Is it a minimum? Is it an average, and if so, which kind—median or mode? Is it an advertised speed? We all know what that means, coming from internet service providers.

Are we right to put public investment into a massive expansion of next generation access networks beyond that which the market would deliver? That is an important issue for the House to examine. Should we not be concentrating on the 40 per cent. of households who do not have access to broadband at all because they choose not to? It is there, they could take it, but they do not—why? Rather than worrying about imposing new taxes—the 50p tax on fixed lines seems very regressive, and, interestingly, represents one of the first occasions on which the Treasury has authorised an hypothecated tax, which could be a dangerous precedent—should we not be sorting out the mess of the business rate system, which deters investment in new fibre optic cables? Is it right for the Government to pick technologies to roll out next generation access? What will happen to satellite technology over the next few years? It might deliver faster, cheaper options for more remote communities.

However, the Government are certainly right to attack illegal file sharing. Getting the protocols right and ensuring that proper warnings are issued by ISPs before they cut off the account holder is absolutely the right thing to do. Protecting the UK's creativity lies at the heart of one aspect of our economic prosperity, and I congratulate the Government on their position on that.

I am sorry that clauses 38 and 39 of the Bill do not address the provision of compensation for radio microphones flowing from new access arrangements for the electro-magnetic spectrum. In their "Digital Britain" White Paper, the Government made a commitment to providing compensation for radio microphone users, but they seem to be wriggling off that hook. I hope that that commitment will be honoured in full. It would breach the sector's human rights, apart from anything else, and possibly destroy large sections of our entertainment, broadcasting and sporting industries were that compensation not to be offered as promised. That is one of the missed opportunities in the Bill.

Another missed opportunity relates to a Bill that died a sad and tragic death in the last Session—the Postal Services Bill. I understand that the Government think that the linkage of part privatisation and settling the pension deficit should be brought together, but no longer feel able to propose that. We all know the reasons, but I will not go into that today in the limited time available. But what about regulation of the sector? We could move to make the reforms suggested in the Hooper review and bring Postcomm within Ofcom. Indeed, I would suggest that the Digital Economy Bill provides a vehicle to do that. Why not take the sections of the Postal Services Bill dealing with regulatory issues and implement them as part of that Bill? The sector cannot live in this regulatory hiatus, with Postcomm dying on its feet, not knowing its own future. Urgent action is required.

A lot of other things could be done, too. For example, I believe that an omission of some seriousness from the Queen's Speech is measures to deal with illegal immigration, particularly that caused by fraudulent student applications. Why can we not move to a system of accreditation of institutions? Good universities and further education colleges know who they are admitting, but at present we are not working on that basis and there has been a massive increase in what appear to be fraudulent applications from the Indian sub-continent. Why can we not say that if an accredited institution is in receipt of a student, there should be an automatic assumption that that student's application should succeed?

If we want to do good by small deeds, as I believe we should, why not legislate for a grocery market ombudsman, as called for in early-day motion 192, which I signed today? What a good step that would be to help the small business sector. That is the type of small good deed in a wicked world that the Government should be doing, rather than following grand strategies and making grand statements that are politically motivated and achieve nothing. This Government should have died with dignity. Instead, new Labour dies as it lives—partisan and divisive. It is a sad epitaph after such a confident beginning back in 1997.

2.41 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I welcome the measures set out in the Queen's Speech. There are some useful measures that will serve the country well if they make it on to the statute book. However, I wish mainly to draw a contrast between what is happening today in our country and what happened in the 1980s and 1990s, when we had a Conservative Government.

A good starting point is the recent credit crunch and downturn that we have experienced as part of the worldwide credit problems. There is no doubt that it has been a serious downturn with serious consequences, and we have heard a great deal of statistics relating to it today. However, in 1991, at the height of the last Conservative Government's downturn, unemployment in Knowsley as a whole, including my constituency, stood at 25 per cent. Now, as we start to move gently out of the current downturn, it stands at 8.9 per cent. That is unacceptable, by the way, and I am not for one minute crowing that it is only 8.9 per cent., because it means that a lot of people who want jobs do not have them, but the contrast is nevertheless worth pointing out. Some economists forecast that if the Tory approach to the economy were adopted, in so far as we can work out entirely what it is, it is quite possible that unemployment would reach 5 million. Some reputable economic forecasters have made precisely that point.

My second point is about public services and investment, and the partnership between, in my case, Knowsley council and a Labour Government. Through the Building Schools for the Future programme, every secondary school in the borough has just reopened, or will reopen over the next few months, as a brand-new learning centre at a cost of £150 million. Not only are they in brand-new buildings, they have a completely different education philosophy. It is important to relate the matter back to real young people by saying that even before that, the rate of A* to C GCSE passes increased in the past decade from a pitifully low 17 per cent. to more than 57 per cent. It is still climbing, and there is still room for improvement, but that shows the contrast rather well.

In addition, we can consider the health service. Two weeks ago, my hon. Friend the Member for Halton (Derek Twigg) and I had the privilege of visiting the brand-new hospital in Whiston, which will serve our constituents. It is an astonishingly good building that cost £250 million, and it simply would not have been built without a Labour Government.

To bring the debate back to a human scale, a few weeks ago, a constituent of mine, Dave Ryan, who is a head teacher, went to a local NHS walk-in health centre feeling ill. While he was there, they discovered that he was in the middle of a heart attack. He was then taken to the cardiothoracic centre in Liverpool, of which my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) has had some happy experience. Within hours, Mr. Ryan had had surgery and was back on the road to recovery. Let us contrast that with the hours of waiting on trolleys and months of waiting for an operation, or even an appointment, that were typical of the Conservative Governments of the 1980s and 1990s.

I come now to the "however": Knowsley council, together with Tesco, put together a £400 million investment package—all private sector money—for Kirkby in my constituency. The package received planning permission from the local authority, went through a public inquiry and then sat on the desk of the Secretary of State for Communities and Local Government, who yesterday announced that he had turned down that opportunity. He has turned down £400 million of private sector investment in Kirkby, which, notwithstanding the improvements that I described earlier, and which we have genuinely experienced as a result of having a Labour Government, is one of the most deprived towns in Britain. I am astonished that the Government can turn away £400 million of investment in a town that desperately needs regeneration. It still needs investment in jobs, of which that package would have produced thousands.

The local authority, many residents and those who support progress are now bitter about the action taken by the Secretary of State. I am calling for the Government to work with me, Knowsley council, Tesco and Everton football club, which is involved in the project too, to consider whether a new application, perhaps slightly scaled down, can be fast-tracked and put before the Secretary of State, so that the regeneration of Kirkby and the necessary number of jobs can be delivered.

One of the reasons why my right hon. Friend turned down the application was the major opposition from Liverpool city council, St. Helens council and West Lancashire district council. The Liverpool city region now has a multi-area agreement and a city region cabinet led by the excellent leader of Knowsley council, Councillor Ron Round. But what good has it done us? What good has all the borough's work on that city-wide layer of government brought us? All it has brought us is opposition and no help from surrounding local authorities.

I spoke to Councillor Round this morning, and I must warn the Government that he is considering whether Knowsley can carry on within the city region cabinet, which he leads and chairs. He might well conclude that he has to withdraw, and if he takes that decision, I will support him.

Finally, there is the question of my support for the Government. I have been in government and out of government, but in more than 20 years of being a Member of Parliament, I have always been a loyal supporter of a Labour Government when we are in power, and of a Labour Opposition when we have been in opposition. However, unless the problem in Kirkby is resolved quickly, the Government cannot continue to rely on my support.

2.50 pm

Mr. Henry Bellingham (North-West Norfolk) (Con): I declare my interests as recorded in the Register of Members' Financial Interests. We have just heard an extraordinary speech, and I think that all hon. Members greatly respect the right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) for his commitment to his city, his constituency and his constituents. Obviously, whatever course of action he takes, we will admire it because he does it in the interests of his constituency.

Listening to the Prime Minister last week, it seemed incredible that this was the iron Chancellor who 10 years ago proclaimed prudence and thrift and put in place golden rules. It is also difficult to believe that, at the start of the recession, the Chancellor's Budget in March 2008 included a forecast of public borrowing of £38 billion, or 2.5 per cent. of gross domestic product. He stated then that net debt would remain below 40 per cent. and that it would be at that level till 2013. Fast forward 18 months and the figures are horrendous. The borrowing forecast in the previous Budget was £175 billion—12.5 per cent. of GDP. That is now likely to go up to £200 billion and beyond. Our national debt is now 60 per cent. of GDP and increasing. It will probably

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reach 100 per cent. in a year or so. Public borrowing for last month—October—was 88 times the figure for the previous year. The figure of £200 billion that I just mentioned may therefore seem optimistic. All the time, tax revenues are plummeting.

I am concerned about the interest on our national debt that we are paying now and that we will pay in the years to come. It is currently around 6 per cent. of GDP, but it is likely to reach 10 per cent.—more than £75 billion, which is more than the combined budget for schools and transport. In 1976, national debt as a percentage of GDP was 10 per cent. when the then Chancellor, Denis Healey, went to the International Monetary Fund. Any amount over 10 per cent. means that the debt begins to compound, and most credit rating agencies start to get worried about any figure over 12.5 per cent. because one is then heading into uncharted territory, and there is a genuine problem about funding gilt sales.

There is an assumption that the debt will be bought and that investors will still have the appetite to continue buying it. I wonder whether they will, because the UK Government alone are planning a record issuance of £220 billion of debt this fiscal year and exactly the same amount in each of the next four years. That means that the total worldwide sovereign debt for next year will reach £9.1 trillion, which is an extraordinary figure. I am concerned that, if UK interest rates go up by even a small amount, we will be in real danger of reaching a debt trap. It is therefore essential that the Government—and, indeed, the next Government—can convince the markets that serious action will take place to address the debt crisis.

Mr. Mark Field: In relation to the horrific amount of debt in the global economy, it is not clear where the debt will be mopped up. For example, various sovereign wealth funds in the middle east and the Chinese Government have traditionally been able to take up such debt—but it is estimated that some third to a half of the £9.1 trillion will not be taken up by such areas. In other words, a major problem is likely to arise in the bond markets before the world is too much older.

Mr. Bellingham: My hon. Friend is much more in touch with these issues than I am, but I certainly share his concerns. The position here is looking grimmer than elsewhere because of the state of our economy. Indeed, apart from Greece, we are the only country in the EU that ran a consistent budget deficit rather than a surplus during those boom years, which means that we are singly ill equipped to deal with this financial crisis and recession. That is, of course, an appalling scar on the Government's record.

As my hon. Friend the Member for Tatton (Mr. Osborne) pointed out earlier, the UK's growth between July and September was minus 0.3 per cent. For six consecutive quarters we have been in recession—the longest since records began. That figure for the quarter compares with America's 0.9 per cent. growth and the eurozone's 0.4 per cent. growth. That shows how we are in a very parlous position.

As the Government rebuild public finances, it is going to be very important to impress on the markets our determination to do so, but I feel very strongly that if we do not take the necessary action and confidence then dissipates, we could be facing a sterling crisis, rising interest rates and perhaps a gilt issuance strike as well.

Her Majesty's Government have to rebuild the public finances without putting the brakes on demand. That is why even though public expenditure is going to have to be cut and whoever gets into office after the election will have to think about tax increases, it has to be done in a way that does not stifle the private sector, but allows it to continue to maximise wealth creation. That means more enterprise, more entrepreneurship and supporting small and medium-sized enterprises. It must mean lower business taxes, lower business rates and better access to credit, and it must also mean substantially less regulation. As my hon. Friend the Member for Tatton said a few moments ago, we need another enterprise revolution.

As I look around my constituency and talk to businesses large and small alike, they tell me that they are not getting access to finance and credit, or the help from the banks that they expected. Indeed, they are not getting the support they need even from the publicly owned banks, the ones owned mainly by UK Financial Investments Ltd. Furthermore, they are very worried about business rates. I received two e-mails over the last couple of days from businesses in my constituency, which explained that the business rates to be paid in the next financial year are going up by 27 per cent.—and that comes on top of a 34 per cent. increase in 2005. The Government must look at the business rate burden on SMEs; they must look at the rate of small firms' corporation tax; and they must look at the regulations being put on business.

If we are to have any serious supply side reform, the Government must row back from their propensity to put more and more burdens on small businesses. That is why, in an intervention an hour or so ago, I asked the Chancellor of the Exchequer about the agency workers directive, which will be a job-destroying directive. Agency workers themselves do not want it and small businesses do not want it, as it is going to add a great deal of cost to small businesses, while those very agency workers that the directive sets out to protect want their independence and flexibility. They do not want a directive. Having said over many months that they would resist that directive and do all they possibly could to stop it going through, the Government are now going to legislate to bring in protection for agency workers to give them the same rights as normal workers. I think that is very bad news indeed.

Lorely Burt (Solihull) (LD) *rose—*

Mr. Bellingham: I will not give way, because I will not be allowed any more injury time. *[Interruption.]* I will be allowed it, so I will give way.

Lorely Burt: I am grateful. On the agency workers directive, I completely understand what the hon. Gentleman is saying about workers such as professional contractors. However, there is an underclass of people who are being exploited, and I believe that we do need to legislate, in the interests of all those people.

Mr. Bellingham: The hon. Lady makes a perfectly reasonable point, but I simply say to her that we are facing a truly horrendous situation. When the economy starts to grow again and unemployment comes right

down, it might well be sensible to work with SMEs, business and business organisations on bringing in some form of protection for the agency workers that she mentions. She has accepted, however, that the vast majority of agency workers, particularly contractors to the IT industry and to the food industry—a big sector in my constituency—do not want the directive because it will reduce their flexibility.

What else do the Government give us? They give us the Equality Bill. All Conservative Members are in favour of gender equality, but do we need such a thoroughly bureaucratic, over-prescriptive approach, which is bound to put pressure on small and medium-sized enterprises, especially those in my constituency that rely on public sector procurement? They will have to show three years of accounts, and fill in a 42-page form and questionnaire. Lots of businesses will ask whether it is really worth the candle. In my judgment, that will destroy enterprise and wealth creation. Now is not the right time to introduce such a measure.

On the supply side of the economy, we will get more and more regulation from the Government and no attention paid to the crying need to reduce business taxes. The Minister for Business, Innovation and Skills may put my mind at rest in his winding-up speech, but as far as I am aware the Government are not planning any action on business rates. The Opposition, on the other hand, propose action on business rates, a cut to corporation tax and a bonfire of regulations. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) has made it absolutely clear that we will have a one-in, one-out policy. That cannot come a moment too soon, because businesses are crying out for it.

The Government keep saying that they rely on the wealth creators in this country. The wealth creators will get us out of this recession. I entirely accept that there is an argument to be had about the timing of reductions in public expenditure and increases in taxation, because the last thing we want to do is stifle any stuttering growth in the economy that might occur in the next quarter. The Government say that they will rely on the private sector to create jobs and growth, but they must ensure that it is given the right encouragement. I have no confidence that the Government are capable of that. Their record does not stack up well, and business is fast losing confidence in the Government.

We can guarantee such firms their future, and guarantee that enterprise revolution, only through a complete change in policy, and for that a change of Government is needed. The measures in the Queen's Speech do not stack up, and do little for business. When the business community starts to look at the detail, it will be depressed and appalled by the Government's total lack of understanding of its needs.

3.3 pm

Mr. Chris Mullin (Sunderland, South) (Lab): I start more or less where the hon. Member for North-West Norfolk (Mr. Bellingham) left off, with the agency workers Bill, which I welcome. An insidious development —the growth of outsourcing—has taken place in the past 20 years or so, and with it has grown an underclass of people who no longer qualify for sickness pay, paid holidays, redundancy pay and all the things we quaintly associated with civilisation during the 20th century. Often such people work alongside others who do have such rights. I hope that the agency workers Bill will do something to put a stop to that ominous trend.

At the heart of the Opposition case on the economy is a dishonesty, which pretends that the public debt has nothing to do with the bankers' crisis and their friends in the City—the derivatives traders, hedge funds and the rest—and that it is all due to the profligacy of the Labour Government. The right hon. and learned Member for Rushcliffe (Mr. Clarke) was engaging in that again last night at an event at the Institute of Directors, which I attended. In his very entertaining 20-minute speech, in which he had a great deal to say about public debt, I did not hear him once concede that any of this—at one point he made a comparison to Mugabe's economic management, and I realise that he was probably pulling our leg a bit—has anything to do with the activities of the banking sector. It does. I think that the Opposition's case would be that much stronger if they stopped referring to "Labour's debt" and "the mess that Labour has got us into"—I think I am quoting from a Conservative party crib sheet, because I have heard those phrases used repeatedly since this year's Conservative party conference—and honestly faced the fact that much of this has to do with the activities of their friends in the City.

I do not know whether you saw it, Madam Deputy Speaker, but at the end of September and the beginning of October there was a three-party series on BBC2 entitled "The Love of Money".

Mr. Kenneth Clarke (Rushcliffe) (Con): I am glad that the hon. Gentleman was paying such close attention to my speech last night. I entirely accept that the hubris of our bankers, along with the complete failure of the regulatory system that our Prime Minister had put in place, was the greatest cause of the deep recession that we went into. Last night I was dealing with why our economy is the slowest in coming out of it, and debt plays a very big part in that. We can agree in criticising bankers, but the hon. Gentleman cannot wave aside—as the Government are trying to—the problem of debt, which is slowing us down in our recovery.

Mr. Mullin: I do not seek to wave aside the problem of debt. I am glad that the right hon. and learned Gentleman has at last conceded—perhaps he will do so again when he winds up the debate for the Opposition—that this crisis, or "Labour's debt" and "the mess that Labour has got us into", as I keep hearing Opposition spokesmen call it, has something to do with the bankers. I am grateful to him for putting that on record, albeit with one or two caveats.

Let me return to the BBC2 documentary. It was about the banking crisis and the global financial crisis, and how they had arisen. Episode 3 consisted of interviews with the American Treasury Secretary, Hank Paulson, with American and European bankers, and with the French Finance Minister. They all said, more or less as one, that the British intervention in nationalising the three banks in the autumn of 2008 had been decisive in halting the slide towards the breakdown of the global financial system. One of them went so far as to say that the global financial system had come within hours of meltdown, and that if the British had not acted when

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they did, it might indeed have melted down. As we know, the Americans had their plan, but it was bogged down in Congress after they had spent 14 days talking about it. Incidentally, it is not only the people interviewed on that programme who have expressed that view. I have heard the Prime Ministers of Spain and Norway say something similar, and also the Australian Prime Minister.

As I watched the programme, I asked myself "Why is this a secret? How come no one in this country knows about it? How come only foreigners seem to know about it?" I concluded that that was, in part, a tribute to our free press, who, as we know, have been preoccupied with other matters. On each of the occasions when our Prime Minister has gone to Washington in the last year, the press have decided from the outset—before he was left British soil—that his trip will be a disaster. On the first of his two trips, they pursued him with a single question: "Prime Minister, will you apologise for the recession?" They kept that up. I believe that Mr. Nick Robinson even took it into the Oval Office of the White House. The Americans were amazed.

During the second trip, which took place only a few weeks ago, the headline was "Obama Snubs Brown". As Members may recall, the President and the Prime Minister were going to New York to attend a United Nations meeting. There was not to be a face-to-face meeting between them there; but the next day they were off to the G20 summit in Philadelphia, where there was plenty of face time, and the story swiftly faded. Nevertheless, it had dominated the headlines, even in the broadsheet newspapers. If Members wonder why we in this country know nothing about the British Government's intervention in the banking crisis, it may have something to do with those distractions.

Stewart Hosie: Let me summarise what the hon. Gentleman has said: the United Kingdom Government have no responsibility whatsoever for any of the failures, the Prime Minister saved the world, and the 943,000 youngsters who are on the dole should say thank you to Labour for fixing the problem. I just wanted to get it right.

Mr. Mullin: As so often, the hon. Gentleman does not get it right. I am not arguing that. I am just saying that the British Government did quite a lot in bringing this most recent—and particularly large—crisis to a halt, not just in this country, but around the world. Many distinguished foreigners appear to have noticed that, even if the hon. Gentleman and we in this country have not. I was pleased to hear the Liberal Democrat spokesman, the hon. Member for Twickenham (Dr. Cable), acknowledge that today, as he has done on several previous occasions. That is why he is taken more seriously than the hon. Member for Tatton (Mr. Osborne), who speaks for the official Opposition on these matters.

Let me mention something else I thought while watching that programme. I also thought it at the Institute of Directors dinner last night, at which I had a ringside seat. IOD director general Miles Templeman was demanding less Government interference, of course, and as he was playing on home ground that was greatly welcomed by his audience. In fact, he was asking for many of the same things that the hon. Member for North-West Norfolk was just requesting: less Government interference, less red tape, less this and less that, and smaller government. I thought to myself, "Goodness, it's lucky there was some Government interference around last autumn, when the banks went belly-up. I didn't hear any talk about the need for smaller government then, when the world economy faced potential ruin."

Over the years, all the main political parties have indulged to some extent in the pretence that we in this country can have a European level of public services while paying only American levels of taxation. We are all guilty of having encouraged that belief. As a result, when there is an argument about cuts versus tax increases, it is assumed across the board that only cuts will do. Indeed, there was a period a few months ago when the leaders of all three main parties appeared to be vying with each other on cuts. The leader of the Liberal Democrats was, I was shocked to hear, calling for bold and savage cuts at his conference, which cannot have gone down too well with his punters. The leader of the Liberal Democrats is a wide boy and a chancer as far as I am concerned, and if he thinks that is going to get his party any votes, he is wrong. If people want bold and savage cuts, they will vote for the Conservatives, not the Liberal Democrats.

I think that we do need to contemplate the possibility that, sooner or later, the basic rate of income tax will have to rise—I am not talking about taxing the rich, because that is often a cop-out as it does not raise the necessary sums. The basic rate of income tax has come down consistently over the years. It was 25p in the pound as recently as 1995, but successive Chancellors have reduced it so it now stands at 20p. Sooner or later, a political party in this country will have to confront the electorate with the reality that if we want European levels of public services, we will have to pay European levels of taxation. That cannot just be paid for by the rich; the prosperous—or the relatively prosperous—will have to contribute as well. There may well need to be a rise in the basic rate of income tax, therefore.

Finally, I want to say a few words about "broken Britain". We have heard quite a lot on that subject from those on the Conservative Benches. Those of us who represent less prosperous areas of the country know a thing or two about broken Britain. When I was first elected to Parliament in 1987, at every single surgery that I held people from the poorer parts of my constituency came to me begging to be evacuated from various notorious estates. All that has stopped over the last five to 10 years. There were parts of my constituency where normal life had broken down to such an extent that we had to evacuate the few remaining residents and demolish entire streets—indeed, in one case, a large part of an entire estate. I fear that there is a danger that we might return to that situation. That is broken Britain.

Sandhill View school in my constituency is a secondary school. Twelve years ago it was achieving a GCSE result rate on the five A to C grade measure of less than 10 per cent. Today, that rate is more than 50 per cent. The school has been completely rebuilt, it is under completely new management and more than 50 per cent. of the pupils are getting those results, despite the catchment area being the same. So when somebody tells me that nothing has changed and everything is bad and getting worse, I can put my hand on my heart and honestly say

that the poorer people in my constituency—I would be surprised if this were confined only to my constituency—are significantly better off as a result of this Government.

I dread that in future we may go back to where we were in the late '80s, when there was mass unemployment, and a breakdown in the social fabric and in law and order. Some future Government would then have to clear up the mess, as this Government are still doing to some extent. I hope that we will not go down that path again. I am told that a new, merciful and compassionate Conservative party has arisen from the ashes of the greedy and mean Conservative party—I accept that there have been some changes at the top, but I do not believe that down below that is the case. I think that the party has the same philosophy and wants one thing only: tax cuts for the already prosperous.

3.15 pm

Lorely Burt (Solihull) (LD): On the face of it, there does not appear to be a great deal for business in this Queen's Speech, so I wish to focus on business. Legislation is not always needed to make changes, as the hon. Member for Mid-Worcestershire (Peter Luff) said. I trust that that proves so and that having introduced a plethora of measures, some of which have worked and some of which spectacularly have not, the Government are not resting on their laurels, thinking that we are through the worst and that everything will be all right. If the measures that they have announced had been properly implemented, business would not be suffering in the same way as it is now.

Recent talk about recovery is encouraging, but we must be realistic and recognise that businesses are still suffering and our gross domestic product is still falling, with the third quarter figure showing the decline slowing to 0.3 per cent. The hon. Member for North-West Norfolk (Mr. Bellingham) cited a figure of 0.4 per cent. but I believe a revision was made yesterday—either way, the situation is bad and GDP is still declining. The level of bank lending to businesses continues to decline, with third quarter lending decreasing by £23.2 billion. The level of unemployment is still increasing, with the figure now at more than 2.5 million. Manufacturing investment has decreased by more than a quarter and construction investment has decreased by almost a third.

Despite all that, an array of business support is due to end before the recovery has been secured: the trade credit insurance top-up scheme ends on 31 December 2009, just when it might have become useful as the credit insurance market stabilises; the vehicle scrappage scheme ends in February 2010—or earlier if the Government funding is used up; the enterprise finance guarantee scheme ends on 31 March 2010; an extension on empty property rate relief ends on 1 April 2010; and first-year capital allowances of 40 per cent. end in April 2010, when we understand they will return to 20 per cent.

Although we have heard noises from the Government about extending these schemes, no clarity has been provided. They have left it late before explaining their plans, which has left businesses with little time to prepare. The worst thing that we can do to businesses is leave them in a state of uncertainty. How can they make provisions when they have no idea of what is coming? Can the Minister tell business today which of the schemes are to be extended? The Chancellor has said "no", but he is not serving the interests of businesses by making them wait until the pre-Budget report. Despite the endless announcements about help for business, some Government actions are holding business back. Businesses face an overnight increase in business rates of up to 12.5 per cent. from April. That is a significant cost, especially for small businesses. Empty property rate relief is due to be withdrawn on the same date, encouraging unnecessary demolitions and destroying the capacity of the economy to grow in the future.

We have long said that fundamental reform of business rates is required to make them more equitable. Let us take the timing of the VAT increase as an example. Despite modest, well-argued representations from business, the Government refuse to change the timing of the VAT increase from midnight on 31 December. The Federation of Small Businesses has called for it to be deferred to 1 February to avoid the peak January sales—a sensible measure, but one that the Government are ignoring. What a happy new year message that will be to retailers.

Another example is an increase in the burden of tax. The small companies tax rate is due to increase from 21 to 22 per cent. In last year's pre-Budget report, even the Government realised the counter-productive effect of that change and deferred it from last April to next April. I hope that they will reconsider this ill-timed additional burden on small companies and that the Minister will comment on that.

I want to see a new sense of urgency in the Government, with fewer announcements and more action. The sense of urgency among businesses is palpable as they struggle to stay afloat. I do not want to be unfair—some of the Government schemes have worked, although some have not. One that has worked relatively well is the enterprise finance guarantee scheme. Will the Minister confirm what will happen to that scheme?

One scheme that has not worked is the automotive assistance scheme. Guarantees of only £400 million have been promised, compared with £2.3 billion of ostensibly available guarantees. For six months of this year, no money was forthcoming but 10,000 jobs in the automotive industry were lost. Jaguar Land Rover, in my constituency, finally decided after months of being messed around by officials that the game was not worth the candle and got financial help elsewhere. Will this scheme be quietly forgotten now? Will the Minister respond on that point, please?

The trade credit insurance scheme was most welcome when it was announced, but it has been an absolute disaster. Although the Government said that they expected a £3 billion take-up by October, only £13 million has been allocated. The conditions have been far too restrictive. Will the Government consider relaxing the criteria so that struggling companies can benefit or will they quietly forget that scheme, too?

Mr. Nigel Dodds (Belfast, North) (DUP): I agree entirely with what the hon. Lady is saying about the various Government schemes and the need to consider which work and which do not. Does she agree that as well as Government schemes, the banks and the financial lending institutions need to be doing a lot more? Although Government help is very welcome, more pressure needs to be put on the banks to do more for businesses, because that is what businesses are crying out for.

Lorely Burt: I absolutely agree. My hon. Friend the Member for Twickenham (Dr. Cable) made that point quite strongly, so I have not concentrated on the banks, but the hon. Gentleman is absolutely right.

Let me finish by looking towards the longer term. I do not want to focus merely on the difficulties and challenges that we face. This country has a legacy of innovation and enterprise that should give us confidence for the future. It is now time for the Government to get ahead of the game and to begin to support enterprise in the longer term by creating an environment in which small and large businesses can flourish side by side. I welcome some of the moves to generate wealth through the knowledge and skills of our young people, such as the creation of a cluster of university enterprise networks to harness the value of the academic knowledge that is taught in our universities to drive future entrepreneurship and long-term economic growth.

The upturn will bring some risks. In the downturns of 1980 and 1990, insolvencies rose significantly after the technical end of the recessions as businesses rebuilt their working capital on returning to growth. Will the Government make sure that they take adequate steps to prevent the destruction of jobs and livelihoods this time round?

We all know that the state of the public finances means that there are limits to the help that can be provided, but there are no limits to what the Government can do when it comes to creating a level playing field, reducing interference from Government and enabling businesses to drive forward the diverse, vibrant and sustainable economy that is the key to our future.

I and my colleagues on the Liberal Democrat Benches will do all that we can to offer support for any step that is taken to help and enhance this country's business future and prosperity.

3.25 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I want to concentrate on the banking system, the case for major reform of which continues to be greatly understated. I strongly agree with my hon. Friend the Member for Sunderland, South (Mr. Mullin) that we should never forget that the root of the problem is to be found overwhelmingly—not entirely, but very largely—in the behaviour of the banks.

The Financial Services Bill unveiled in the Queen's Speech gives the FSA the power to crack down on bankers' bonuses and to tear up contracts that expose the banks—and the taxpayers standing behind them—to excessive risk. That will obviously be very popular, but it is also absolutely justified. However, the central question remains: is that sufficient to prevent a recurrence of the epidemic of bankers' greed and recklessness that so nearly brought down the entire global financial system? One has only to ask that question to get the answer that it clearly is not.

Certainly, the Bill offers important steps that will help to curb the most obvious and visible banking excesses that rile the public most, but they fall well short of the root-and-branch reform of the whole banking sector that I now think is so urgently needed.

Mr. Bellingham: Does the right hon. Gentleman agree that the mistakes in the banking sector were made by a very small number of proprietary traders, and that they represent only 1 or 2 per cent. of the total number of sector employees? It is true that they were not overseen properly, but surely we need a way forward that recognises that the vast majority of bankers were highly responsible.

Mr. Meacher: The hon. Gentleman makes my case for me. It is of course true that the problems were precipitated by only a small proportion of total banking staff, and that many of them, as he says, were involved in proprietary trading. However, the financial sector is incredibly important to the whole economy, and the fact that it cannot be—and was not—managed properly by directors in the boardroom is something that desperately needs to be addressed. I do not think that the measures in the Financial Services Bill—or, as I am about to make clear, any of the reforms that have been suggested so far—are adequate in that regard.

The Government's policy on the banks seems to consist of only three elements. The first is to limit bonuses, although I think that I am right in saying that the FSA already has the authority to intervene in that area. The second element is to increase regulation but—and I say this with great respect—we will judge the effectiveness of that approach when we see it. The third element is to introduce some increase in capital ratios. I think that everyone agrees that that is necessary, but by exactly how much will they be increased? That is the key question, and the answer has not yet been specified. However, the Government's policy still leaves the City as dominant as it is now, and the rest of the real economy hobbled and dependent.

If I understand it correctly, the policy of the Opposition is very little different. They are proposing living wills, by which the banks can wind themselves down in the event of a collapse, higher capital reserves—exactly like the Government—and more support for long-term equity finance, although again they have not said exactly how they would bring that about. I do not disagree, but it, too, is minimalist reform. I do not want to be over-partisan, but given the Tory party's dependence for major donations on City institutions and on the British Bankers Association, whose chief executive is a former Tory MP, and given that both those institutions have no wish for radical change, we are entitled to wonder how much of even those modest reforms are likely to see the light of day.

The truth is that the original financial crisis flowed from several causes other than the monstrous bonuses that generated thoroughly irresponsible banking practice. Such factors include mammoth bank size—beyond the capability of any reasonable manager to control—a dangerous confusion of retail and investment banking roles, excessive debt leveraging prompted by over-cheap money, global proliferation of toxic derivatives, the suborning of credit-rating institutions by banks and other bodies whose creditworthiness they were supposed to be assessing, and an orgy of offshore speculation and tax evasion taking preference over industrial investment and the real economy. None of those fault lines is being addressed.

All the big four remain—to use the customary phrase—too big to fail, not least RBS, which at the time of the collapse had an exposure level 12 times the entire UK gross domestic product. Even with EU intervention, the bank is still far too large. The only dent in that behemoth structure was brought about by the EU Competition Commissioner.

The Treasury consistently—I think wrongly—refuses to consider the separation of retail from investment banking, no doubt partly because of heavy lobbying from the City of London. The effect is that it still leaves the taxpayer as the ultimate bailer-out of last resort for grossly irresponsible banking practices, some of which are already beginning to revive.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I am following the right hon. Gentleman's remarks carefully and I agree with them. Is it not the case that neither the Government nor the FSA have really taken on board the point that utility banking, with its implied taxpayer support, has to be separated from the other issues? Until that core point is taken on board, whether we go with John Kay or Paul Volcker, the system cannot be regulated properly.

Mr. Meacher: I completely agree. That is the single biggest deficiency in the reform programme.

Fundamental reform is needed, not tinkering. No action is being taken in respect of the shadow banking system, which is driven by the investment banks, trading funds, hedge funds and private equity. They are too big, too powerful and too risky. No action is being taken to address the finance sector, which is too large for a country the size of the UK and is still crowding out industrial and manufacturing investment. No action is being taken to reform the financial architecture—to dynamise innovation and long-term productive investment rather than simply continuing to concentrate on mortgages and consumer credit.

Above all, nothing is being done to regulate closely, or in some cases even prohibit, the derivative trading that lies at the dark heart of finance market fundamentalism. There is no action even to require that new derivatives should be approved by a sanctioning authority, which, considering that the massive toxic market in credit default swaps and collateralised debt obligations nearly brought down the entire global system, one would have thought was the absolute minimum regulatory requirement. Little or nothing is being done about offshore speculation, unless of course we have a Tobin tax, which could be operated domestically through the UK CHAPS system. If that saw the light of day, it would be an important and valued reform, so I hope the Government will proceed as fast as they can.

No action is being taken to introduce greater competition in the financial sector, which is still frankly too large, even after intervention from the EU. Surely what is needed if we are to have real competition is the breaking-up of the over-dominant big four by, say, a dozen banks, all with particular specialisms. Those specialisms might include infrastructure—that, of course, is what the CBI wants—and should certainly include science and technology research and development, investment in small and medium-sized businesses, and other institution building in the real economy.

Quite simply, the banks are out of control. It is not the state that has taken over the banks, but the banks that have taken over the state. The taxpayer has bailed out the Royal Bank of Scotland to the value of 84 per cent. of its equity, yet the Government have no involvement in the running of the company, even as regards the insistence that there should be an increase in lending to business. The Chancellor keeps intoning—he has done so to me on a few occasions—that the Government believe that the banks are best managed in the private sector, but how does he reconcile that with the fact that those same private banks are the main cause of the financial crisis? How does he reconcile that with the view recently expressed by the Minister with responsibility for banking, Lord Myners, that before the crash, RBS was, in his exact words,

"the worst managed...bank this country has ever seen"?

How have the banks been allowed to get away with being given gargantuan sums on the specific condition that they continued lending to home owners and businesses at 2007 levels, when the latest M4 figures—the relevant money supply figures—show that bank lending to businesses is now actually negative? In other words, banks are clawing back more money from businesses than they are lending to them.

As has been said, only today we learn that banks are to be allowed to impose whatever overdraft charges they like on their customers with impunity, so that they can use the money to subsidise more profitable services for their richer clients. We learn that in his report on bankers' pay, Sir David Walker—a former Morgan Stanley grandee, and a soft touch for the City if ever there was one—resists the obvious public demand to cap bonuses. He merely proposes disclosing the numbers, but not even the names, of bankers on more than £1 million—the feeblest option on the table.

We learn that Lord Myners is exasperated at the City's unwillingness to agree to change. When did the Government last expect that they need only wag their finger at the malefactors for the predators in the temple of Mammon to doff their caps, say sorry and promptly mend their ways? Oh, come on! As McEnroe would say, "You cannot be serious." When will the Government accept that voluntary exhortation is completely inadequate? To cap it all, £62 billion of our money was handed over to RBS and HBOS covertly a year ago. The motive was certainly not to prevent another bank run; it was to avoid the public's confidence in the banking system as a whole being shaken by revelation of the sheer scale of its failings and corruption. There is something deeply rotten in the City of London, and until that is clearly and fully dealt with, this country will not be free of the risk of a bigger, further financial collapse.

3.38 pm

David Simpson (Upper Bann) (DUP): It has been said today that we are in this together. Some Members might not be happy with that comment, but I happen to believe that it is true. Whether we are elected from England, Scotland, Wales or Northern Ireland, the general public have sent us here to do a job for them. Those who have listened to the programme set out today will be interested only in hearing what the House will do for the United Kingdom, for business, or for the people in business.

Having said all that, we are, of course, enduring a financial and economic storm. The economy must therefore be kept centre stage. For that reason, I welcome the opening words of Her Majesty's Queen Speech:

"my Government's overriding priority is to ensure sustained growth to deliver a fair and prosperous economy for families and businesses as the British economy recovers from the global economic downturn."

A sound and secure business foundation is vital to that.

[David Simpson]

We might be seeing the first, fragile signs of a recovery, but it is early days, and the extent of the recovery is a matter of debate, with almost as many theories as there are so-called experts. However, we need to assess the damage that has been done to our finances and economy and determine where we go from there. Although we wish to see growth, we must guard against artificial, unsustainable growth. The Republic of Ireland illustrates the point. Aided by European funding, its economy surged ahead as the Celtic tiger, but that growth was largely false, and we now see the affects of the recession in the Irish Republic; it is almost bankrupt.

Growth must be sustainable and built on solid foundations. We must grow a dynamic and innovative economy that ensures a well-qualified and properly qualified work force. We should do everything possible to reduce the burdens on business and move away from a culture of bureaucracy and red tape, which stifles business and, especially, the small-business economy. Rather than stifling the incentives to engage in research and development, to concentrate on exports and to be innovative, flexible and inventive, we must encourage such activity.

My party leader and First Minister of Northern Ireland recently said that

"the real drivers behind the economy are not the politicians nor civil servants but those entrepreneurs who are prepared to take a risk and start a business. It is their drive and innovation that will make the difference. We in government need only give them the chance and then let them get on with it as unhindered as possible."

Her Majesty also referred to

"active employment and training programmes."

High unemployment will be the lasting scar of this recession, and we are told that unemployment could reach as high as 3.3 million by the end of 2010. Therefore, training programmes must be geared towards robustly tackling the issue. Schools and universities must play their part by giving realistic careers advice to pupils at an early stage of their education. We churn out too many graduates with no useful purpose in the workplace. That leaves too many young people unemployed and almost unemployable, but we must not forget our existing work force. Companies must ensure that they develop corporate and individual skills, and they must think strategically and invest much more in research and development. We can attract high value-added jobs to the UK if we show that our people have the necessary skills and competences.

I shall turn to another area of concern—the financial sector and the need for reform. Owing to the fact that the financial sector is a crucial cornerstone of a free economy, the Government bailed out the banks at taxpayers' expense, but, as taxpayers now have a stake in the banks, it beggars belief that some elements of the sector have resorted to type and begun lining their own pockets again. They seem to have forgotten that they owe a debt to the public, whose taxes helped bail them out of trouble. We understand that banks need to be prudent on lending, but too often they seem reluctant to help sound businesses that, in many cases, have been banking with them for generations.

I know from constituents that some banks, far from offering support, actually make life harder. That is outrageous. The banks owe us all a debt—not a toxic debt but a genuine debt—of gratitude. Just because some of them played fast and loose in the past, that does not mean that they should now sit on their hands and fail to support genuine businesses.

I say this to the Government: despite what the banks are saying publicly and perhaps privately to the Government, things are not happening on the ground. Businesses are being strangled because of the attitudes of the banks. A small, family business in my constituency that employs 50 people contacted me in February this year to see whether I could get it some breathing space with the banks. I rang the bank, and someone said, "Well, there're two sides to every story." However, we managed to get the company some breathing space. It is still going strong and has just employed another 10 people, but if the bank had had its way in February, the company would have gone. That is one story, but many in the House could tell stories like it. What the banks are doing to businesses is unacceptable.

We must remove bureaucracy and red tape, and anything that will hinder the small business. I remember speaking to Michael Gallagher of the US State Department about business. I referred to the large companies that they have in the United States and he stopped me and said, "Look, David, it's like this: our backbone—the backbone of the United States—is the small to middle-sized indigenous businesses, which have existed for many, many years." It is exactly the same in the United Kingdom. The small, indigenous businesses are the backbone of this great United Kingdom that we cherish, and we need to support them.

Large companies come in, and quite rightly so, and create large employment opportunities. They get millions of pounds in Government assistance. When they come to this country, as we have seen in Northern Ireland, they may last 10 or 15 years, but all of a sudden they leave for some other country where the labour force and costs are a lot cheaper.

Dr. McCrea: Does my hon. Friend accept that as the general public, through the Government, are major stakeholders in some of the banks at the moment, it is about time the Government called the tune? Does he also agree that many businesses are being strangled and crippled not only by the fact that they are not getting the loans necessary at a critical time to maintain a level of employment and strengthen their business, but because of unacceptable interest rates?

David Simpson: I agree with my hon. Friend. The way the banks are dealing with companies is unacceptable. If companies do not manage to clear an overdraft by a certain date, the banks are imposing horrendous fines on them. If a company cannot deal with its overdraft at a certain time, it could face paying thousands of pounds in fees and penalty clauses. That is unacceptable.

We want to see the Government making every effort they can to deal with the banks. I do not know what control they have over the banks, but they need to use every endeavour to ensure that small companies, whether small retailers or small manufacturers, are helped. That needs to happen.

3.49 pm

Mrs. Anne McGuire (Stirling) (Lab): Before I get into my own remarks, I should like to pick up on one or two comments made by previous contributors, particularly my hon. Friend the Member for Sunderland, South

(Mr. Mullin). He spoke about the international global situation and the fact that there is an attempt to caricature this financial crisis as Labour's crisis or mess, or whatever word from whatever crib sheet Opposition Members happen to be using. It is unfortunate that that caricature is being used on such a serious issue, because the reality is that the financial decision that had to be made last year was probably the biggest that ever had to be made in international global finance. It was this Prime Minister and Chancellor who made that decision and called it right. It does no one any great credit to try to undermine that.

The hon. Member for North-West Norfolk (Mr. Bellingham) made great play of the claim that this is the deepest recession since records began and that somehow all the ills that we face today are the fault of this Government. However, there is an inherent contradiction in his argument. If this is the deepest recession since records began, we need to challenge the hon. Gentleman and his colleagues in the Conservative party to tell us why we do not have the levels of unemployment that we had during the lesser recessions that they managed; why we do not have the levels of interest rates that we had in those previous recessions; and why we still have more people in employment today than in those recessions. There are a lot of myths floating around the Chamber.

There is also a lot of agreement about some aspects of the situation. Back in March, when I last had the opportunity to speak about the economy, I raised the issue of the importance of small and medium-sized enterprises, much as the hon. Member for Upper Bann (David Simpson) has just done—and I apologise for not paying the usual courtesy in recognising that I follow him. In my earlier speech, I examined how the downturn was affecting SMEs in my constituency and across the country. At the time, those SMEs were running out of credit. That was their major and basic problem. As we all know, SMEs have little room to manoeuvre when the going gets tough. Some of them faced then—and still do—serious cash-flow difficulties, and credit is the oxygen on which those firms survive.

Eight months later, how are we doing? I have to tell Ministers that it is still a very mixed picture. The Scottish Federation of Small Businesses recently gave evidence to the Scottish Affairs Committee about the state of SMEs in Scotland. Some 30 per cent. of businesses consistently report an increase in the cost of existing credit, 22 per cent. reported increased fees for new loans and overdrafts, and more than 30 per cent. have said that their banks have been less than helpful. Anecdotal evidence suggests that it is now a little easier to get funding, but the fees charged are increasing dramatically.

Of most concern are the reports from small businesses that banks are finding new ways to charge. Entrepreneurial skills are being brought into the banks again and firms are facing increased fees simply for maintaining existing overdrafts. Larger arrangement fees are being charged, and maintenance fees are even being charged for unused overdrafts—so firms are being charged for not borrowing. Nor is there any room for negotiation.

I have been following the progress of some firms in Stirling that have contacted me about the difficulties that they have experienced. In March I mentioned the case of a constituent who runs a small commercial property business. He had banked with the Bank of Scotland in its various manifestations for nearly quarter of a century. HBOS had slashed his overdraft facility and increased the charges levied on it. Eight months on, matters have not improved. Without that overdraft facility, he cannot pay his staff through to the beginning of next year.

I mentioned another constituent who had an import-export business that had held strong for 30 years. To the credit of the Royal Bank of Scotland, it phoned me the next day and asked for details, but it should not have taken an MP raising the issue in the House of Commons for RBS or any other bank to intervene in that way. However, in that case, sadly, it was too late because the bank had already withdrawn the facilities.

I do not want to encourage frivolous lending—we do not want to get back to that situation—and I certainly do not want to second-guess the commercial decisions that have to be made. As I am sure the hon. Member for Upper Bann will accept, there are often two sides to the story. However, finance needs to be rigorous, not flexible. The Government have put in place a programme of supportive and positive measures, which I welcome, but more pressure needs to be brought to bear on the banks, particularly those in which we own a controlling stake, to help small businesses by reducing lending charges.

We should not underestimate how much importance people put on the fact that they now have a stake in these banks. The other night, on my way home, when I paid the taxi driver I handed over a Scottish £20 note. Members who have ever tried to do that in London will know that it is sometimes quite difficult.

David Simpson *indicated assent.*

Dr. McCrea *indicated assent.*

Mrs. McGuire: In the case of the Bank of Ireland Northern Ireland that might be even more difficult. The taxi driver took my £20 and said, "I own part of this bank." We should remember that people are making a correlation between their stake in these banks as a taxpayer and what they expect back from the banks.

Is there is scope to consider some of these issues in the Financial Services Bill? I feel very strongly that we need to make it easier for customers to seek redress if they believe that their bank has not treated them fairly. I have a constituent whose bank did not want to meet him, although he had been a customer for 40 years. Again, it took my intervention, not only to get the meeting but to allow it to facilitate a situation that allowed him to continue in business. I can see that some colleagues recognise that scenario.

Of course, I have welcomed the wide range of measures that have been implemented to help companies.

Adam Afriyie (Windsor) (Con): I am listening to the right hon. Lady carefully. I am sure that her sentiments and experiences as regards businesses that contact us are shared by everyone in the Chamber. Given that her Government put together the package to deal with the banks, what does she think they got wrong that leads to these situations where the money is not coming through?

Mrs. McGuire: I do not think that the Government got it wrong. It is an easy hit to say that it is a Government problem. The banks are part of the partnership

[Mrs. McGuire]

with Government. It is not my right hon. Friend the Minister who is sitting in the bank manager's office saying, "Sorry, you can't have the loan." We have put in place the programmes and we need to ensure that they are being delivered through the banking system. There is a whole range of measures, including the Scottish business gateway, the enterprise finance guarantee scheme, the VAT reduction, and tax payment deferrals. I have lost count of the businesses that have complimented the Government on how Her Majesty's Revenue and Customs is relating to them.

In some instances, local businesses in Scotland—I am not making a criticism of any particular aspect of Government—are finding it difficult to access information. I ask Ministers to ensure that there is maximum co-operation between Westminster, through the Secretary of State, and the First Minister and the Finance Secretary in the Scottish Government to ensure that businesses are getting the information they need, when they need it.

Another issue that was raised by the Scottish FSB is the consolidation of banking between the two great big monoliths. It said that about 78 per cent. of business in Scotland is being conducted through those monoliths. I welcomed the Chancellor's statement earlier this month calling for more competition in the marketplace; that will make a significant difference.

Finally, I welcome the decisive action taken by my right hon. Friends the Chancellor and the Prime Minister, who have guided us through unprecedented global financial crisis. They took difficult decisions when they needed to be taken, and they remained calm in the face of a financial tsunami, unlike some other political parties, which did not know from one day to the next what their position was. However, I hope that my colleagues recognise that there is still more to be done. The SME sector did not get us into this financial crisis, but it will be crucial to getting us out of it.

4 pm

Angela Watkinson (Upminster) (Con): It is a pleasure to follow the right hon. Member for Stirling (Mrs. McGuire), who was particularly helpful to me with a constituency case when she was a Work and Pensions Minister.

I wish to focus my contribution on child poverty. A Child Poverty Bill was, of course, announced in the Gracious Speech, but the subject also impinges to an extent on the Bill on improving schools and safeguarding children. Child poverty has risen for the third year in a row, and there are now 4 million children living in poverty, a rise of 100,000 since last year.

The Child Poverty Bill defines child poverty in four ways and sets out worthy targets. There is a target of 10 per cent. of children living in relative low-income poverty by 2020, which means households with less than 60 per cent. of the median income. There is another target of 5 per cent. of children living in combined material deprivation and low-income poverty, which means households with less than 70 per cent. of the median income. There is persistent poverty, defined as children living in relative poverty for three out of four years, and finally absolute low income.

Those measures all relate to a family's financial circumstances, and I believe that there is a fifth category of child poverty, which is cultural and emotional poverty. That can hamper a child's education and future employment prospects just as much as financial deprivation, if not more in some cases. In an ideal world, parents give priority to the welfare and development of their children. They give them a sense of security, love them demonstrably and share family meals and conversation. They take a close interest in their children's education, read and listen to them and provide interesting experiences. They encourage hobbies, sport, clubs and playing musical instruments, and importantly, they set standards and values by example.

Sadly, a minority of parents fail their children in that respect. It might be the result of drink or drug habits, but sometimes it is simply because of the absence of instinctive parenting skills. An unhappy childhood can sometimes lead to neglectful parenting. A bad experience at school can mean that parents may not know how to help their own children with their homework, or even be motivated to ensure that they attend school regularly. Such parents are also least likely to become involved in school activities, join the parent teacher association or help at the fête and thereby make an important link between school and home. Their children are least likely to belong to a scout or guide troop, the Boys Brigade or Girls Brigade, an armed forces cadet corps, sports teams, choirs, drama groups, youth clubs or a Church.

Those children experience child poverty of a special kind, because they miss the sense of belonging that flows from such life-enriching activities. They miss out on belonging to a team, being reliable and being able to rely on others, acquiring social and interpersonal skills, and trying their best and being appreciated for it. They do not learn to win and lose with good grace, which is an important life skill. Many of those learning activities are well disguised as having fun, but they are learned nevertheless.

Each of our lives could be viewed as a Venn diagram, with the overlapping circles representing all the "belonging" components. Most of us would belong in any number of shared spaces—family, personal friends, acquaintances, work colleagues, clubs and hobbies, the place where we live, our religion—and our sense of belonging and purpose come from those shared values and experiences. The absence of them creates a void readily filled by membership of a street gang of similarly impoverished young people and all the associated dangers that that can bring. We have seen many tragic consequences of so-called feral youths who, feeling that they do not belong anywhere or that nobody is particularly interested in them, develop misplaced loyalty to a charismatic or manipulative gang leader with values wholly unacceptable to the rest of the community, such as carrying knives and just being at odds with the rest of their world.

I pay particular tribute to the invaluable work done by Barnardo's in identifying the minority of children and young people at risk of becoming involved in criminal and antisocial behaviour. Barnardo's supports these children and their families, addressing their individual concerns and sticking with them to break the cycle—benefiting them, their communities and society as a whole.

The child poverty resulting from inadequate parenting is demonstrated in children's lack of self-esteem and confidence, under-achievement at school and lack of aspiration and ambition for a more fulfilling and productive life. It is not necessarily the exclusive province of families in financial poverty. Well-off parents sometimes use

over-generous pocket money and a lack of supervision as an easy way out. Such indulgence and lack of behavioural boundaries can also lead to the same cultural and emotional poverty and the feeling that nobody really cares what they do or where they go.

These children belong—I use the term deliberately; because we do not want them to separate themselves from the rest of society—to the next generation of adults, and they should be prepared with the social and practical skills to enable them to take their place in the adult world, to find gainful employment and to be a part of the future of our country. It is up to us to prevent them from slipping through the net.

The Children's Society goes further and asks for a clear legal definition of parental responsibility, not just in education, but in safeguarding and promoting the child's health, development and welfare. I have not mentioned that to any barristers I know, but I imagine that it would be difficult to define such things in law because they are subjective and even more difficult to enforce. However, the principle is a good one, and if it could be considered, and a way found, without intruding on the privacy of the vast majority of families who manage their affairs perfectly well, we ought to think about it.

The importance of parental responsibility cannot be overestimated, and for children not benefiting from good parenting, we must find ways of making as many opportunities as possible available to them. For example, public libraries are an amazing source of entertainment and information. A good book can transport a child into another world, enchant, horrify, amuse or broaden the horizons of the mind. Our libraries are free of charge—no child living in poverty need be deprived of the wonder of books or the opportunity to develop knowledge, vocabulary and spelling through the enjoyment of reading.

I know that our schools already have huge expectations placed on them, but perhaps librarians could be invited into schools to promote book borrowing, reading clubs and other library activities among families where books are not important. Even the simple possession of a library ticket can give a child a sense of belonging—of being part of something. Similarly, leaders of young people's uniformed organisations might also be invited in to talk about their activities, or even to start a group on school premises to attract children previously excluded. Police community support officers, youth offending teams and youth outreach workers could also play a part in getting excluded children involved.

The Bill on improving schools and safeguarding children contains some promising elements, including on clarifying parents' responsibilities in their children's education. All community groups have so much to offer to children in overcoming cultural and emotional poverty. Our challenge is to make those connections. If we do not, however much progress is made towards meeting the four targets in the Child Poverty Bill, the fifth category of child poverty that I mentioned will remain. The bills of social failure, to which my hon. Friend the shadow Chancellor referred in his introductory speech, will be high indeed.

4.9 pm

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I refer hon. Members to my entry in the Register of Members' Financial Interests.

About three hours ago, I listened to the opening speeches from those on both Front Benches. At that time, I intended to say something, if I caught your eye, Madam Deputy Speaker, about a constituency issue that relates to flooding and the resources required for *that. I still hope to talk about that and some labour* market issues. However, having been provoked approximately three hours ago, I would not do myself justice if I did not allow myself the opportunity to respond a little to the provocation.

Opposition parties must oppose, but when countries are in crisis, as we clearly were less than 15 months ago, political parties have a responsibility to look after the nation's interest first and other considerations, whether party or even constituency considerations, second. There is much evidence in British history of that happening. I will not try to identify examples; I think we all know them. When I first became a Member of Parliament more than 20 years ago, there were many occasions on which issues were considered to be in the national interest and colleagues took stances based on that.

The Conservative party did itself a disservice in October last year by not recognising a national crisis that needed a national response and a national solution. The whole world said—broadly speaking; I use shorthand—that the proposals of the Prime Minister of Britain to the international economic forums and the actions that those forums and the main countries associated with them, including European Union countries, Japan, China, India, the United States, took constituted the right policy position. If the Conservatives had accepted that at the time, they would not now be in a position whereby, having opposed what seemed eminently sensible to the rest of the world, they are picking at the aftermath to try to find differences with the Government. I essentially accuse the Conservative party of a political response to an economic crisis. The Conservative party is now in the position of arguing that, because of x, y and z, it would be capable, should it be in government, of paying back more debt more quickly than the Government, should they be re-elected. That is economic nonsense.

As the hon. Member for Twickenham (Dr. Cable) said, growth rates in this country tend, broadly speaking, to be secular. I do not believe that Governments can do a lot to improve a country's growth rate—perhaps a little bit here and there. However, they can do a lot of damage in undermining the secular growth rate at a particular point. Again, there is much evidence that Conservative party policy—I do not blame current Conservative Members—did that in the early 1980s. We know the consequences for many communities throughout our country. That was repeated in the 1990s, albeit not with the same devastating consequences. However, they were still pretty devastating.

The danger is, were a Conservative Government elected, and they carried out as the economic policy of the country the commitment made in opposition for political reasons it would at the very least damage our ability to recover from the current position. It would arguably cause further deep and serious damage. I urge the Conservative party to try to think a little more in the national interest.

Having got that off my chest to some extent, I greatly welcome the Bill to control flooding. We do not have time to go into it in detail—there may be another opportunity for that, should it get a Second Reading.

[Mr. Doug Henderson]

There is a need to change the structures that deal with flooding. I have had flooding in my constituency and I ended up co-ordinating the activities of the Environment Agency, the local authority, the water company, social services and several other people. That, however, is not really the role of an MP; an MP's role is to have an interest in it and to know what is going on. A lead agency should be made responsible for it, but I do not think that there is one. All the agencies are trying to do everything, so there is need for some structural change. We await the detail in the Bill.

Secondly, resources will be required to tackle whatever recommendations are put forward in any particular part of the country. Our planning regulations need to be looked at as well. The House may well have considered this on another day, but people who think they can simply stick concrete or tarmac anywhere they want as part of a development really have to be stopped. There needs to be a much more considered environmental approach to these matters, so that at least some of the territory where the development is taking place has a porous surface that will allow rainwater to drain in a more natural way. We rarely see serious flooding, apart from river floods, in the middle of fields; we now see a lot of it in urban areas because of the inability of our drainage systems to take the water away. I look forward to this important Flood and Water Management Bill. Especially after last week's events in Cumbria, I hope the House will reach a consensus and allow the Bill to become law before the end of this Parliament.

Thirdly—I will also have to try to find more time for this on another occasion—I am vice-chairman of the Council of Europe Committee on Migration, Refugees and Population. We deal with demographic issues as they arise—basically in the world, albeit in their relation to Europe. We look at asylum, refugees and all those things. In the Queen's Speech, the Government rightly identify training as an important issue. Some people might ask about the link between that and migration. I believe that the political world has to start raising the importance of that link. We have got to stop talking about migration and immigration as burdens that have to be shared among European countries. Migrants make enormous contributions to our economic way of life in this country and throughout Europe. We have got to start recognising that. Figures given to the Davos conference in 2008 showed that there will be massive changes throughout Europe in the proportion of the population that is over 65. It will be a much bigger proportion—10 per cent. more at the moment; about 30 per cent. or 40 per cent. more in the future.

Conversely, there will be a dramatic reduction in the proportion of young 18 to 30-year-olds. I know that the British Army is looking at future recruitment patterns and wondering where it is going to get enough young people to join it in the necessary cohort. The answer is either that it will have to recruit them from somewhere else or that we will have to cut the size of the Army. A lot of employers are looking at the same issue and trying to find ways to recruit in the future. The political world has to take a lead in this and say, "Yes, we need migration." I believe that managed migration is what we need. I know that no specific provision has been made for this in the Queen's Speech, but some background speeches have been made to illustrate the Government's position.

The Government are in the right territory on this: the points system is fine, but I think there also needs to be a more frequent review of the points within every category so that the system responds to labour-market conditions more flexibly than at the moment. I would like to have seen something to deal with that in the relevant Bill, but it is not in it.

Let me explain the link to training. If we allow so many of our young people—I know many students cannot get work at the moment and the Government have some plans to deal with it—to believe that we are not doing enough to help them to get work and that we are relying on migrants, we will create the conditions for deeper social conflict in the years ahead when we will really need those migrants. We need more active training schemes to help people—including some in parts of my constituency whose families have not been in work for generations—back into work. It is crucial that at the same time as we meet some of our labour demands from migrants—we will need to do so—we also bring into work people from communities where they have not worked in the more recent past. We need to combine those two aspects in our plans to meet labour demands over the next 25 years or so. We need to start now; we cannot start doing this 10 years down the line when the shortages are critical. I know that the Government have their minds on this and I hope that they will concentrate them a little more. If the Queen's Speech helps them to do that, it will certainly have my support.

4.19 pm

Stewart Hosie (Dundee, East) (SNP): I am delighted to follow the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) and to speak in this debate, although I suspect that the measures announced in the Queen's speech will play second fiddle to many of those announced in the pre-Budget report and the Budget next spring. At that point, at least the Chancellor will be forced to describe, in more detail, the public finances and our economic condition, which he failed to do today.

We know that our deficit is at least £175 billion, or 12.4 per cent. of GDP. That is forecast to fall, based on what were considered very optimistic growth figures, to 5.5 per cent. of GDP by 2013-14. That will still be more than twice the level of the pre-crash deficit rate of 2.4 per cent. in 2007-08. On the treaty calculation, the national debt is forecast to hit £1.6 trillion in 2013-14, which will be £60,000 per household.

As appalling as those figures are, they might yet be wide of the mark, given that they were based on what were considered to be, putting it gently, heroically optimistic growth forecasts. That is not least because this recession is already longer and in many ways deeper than the two Tory recessions of the 1980s and 1990s, of which I have personal memories—they were not pleasant experiences. Both those recessions lasted for five quarters, while this one has already lasted for six quarters, and their GDP declines were 4.7 and 2.5 per cent. respectively, while this recession's GDP decline has already hit 5.9 per cent. It is inconceivable that it will take any less time to return

to pre-recession GDP levels than the two full years that it took, in both cases, after the crashes of 1980-81 and 1990-91.

The tragedy of the recession is that unemployment and youth unemployment are higher today than under the Tories in 1997, just before Labour came to power. Between March and May 1997, all unemployment stood at 7 per cent., compared with 8.1 per cent. today, and youth unemployment was at 12.5 per cent., compared with 18.6 per cent. today. Under Labour, 943,000 young people are now on the dole. That is bad enough, but the real killer is that in both previous recessions unemployment kept rising when the recessions technically ended: for three full years in the case of the 1980-81 recession, and for two full years in the case of the 1990-91 recession. Therefore, things could get much worse.

The Government's response to that, at least in the Queen's Speech, has been precisely nothing. On economic matters, they have suggested a Financial Services Bill and a fiscal responsibility Bill. The Financial Services Bill would introduce powers over contracts and bonuses, powers to allow class actions, and powers to act on short selling, which are all to be welcomed. Removing the incentive to take too many risks is sensible, as is establishing a council for financial stability to consider emerging risks. However, the Bank of England already produces a financial stability report, so the creation of a new body is less important than how its members analyse the data and measure the risk, and whether they feel that they have the authority and ability to stop risky activities that lead to the systemic problems seen in the banking crisis. In that, the Financial Services Bill is sorely lacking.

Back in 2000, I think, the financial stability report included a detailed description of the south-east Asian banking crisis, and set out all the factors that led to the problems: easy credit, over-reliance on income from property and so on. By the time we got the 2007 Bank of England report, many of those factors were in existence. The Bank of England glossed over them, and said that the risk had been spread and that everything was fine. The risk had not been spread; the risk was everywhere, and no one had confidence in any of the assets held by the banks. That was a huge part of the problem that stopped the banks lending to each other.

On banking reform more generally, in the "Reforming financial markets" White Paper in June, the Government spoke about action to enhance the robustness and functioning of key derivatives markets. However, as I think I said at the time, that amounted to no more than a road map to improvements, support for international efforts and the principle of transparency. The new Financial Services Bill does not even build on those statements.

There is no timeline at all for the creation of a regime properly to minimise the systemic risk of these weapons of financial mass destruction. The details of the fiscal responsibility Bill, to be announced in the pre-Budget report, may give us a little more, but all that has been announced so far is a pledge to halve the deficit over four years. Given the Red Book's forecast of a £173 billion deficit next year and a deficit of £97 billion in four years' time, in cash terms the Government will need to find an extra £11 billion worth of cuts over the next four years. In terms of percentage of GDP, a fall from 12.4 per cent. to 5.5 per cent. would mean that they were almost there, but those figures are based on growth forecasts, which were pretty much knocked out of the park last year.

Government consumption has been the main element supporting demand in the economy. It is 2.2 per cent. higher now than it was a year ago. Household consumption has fallen by 3.6 per cent., business investment by 20 per cent., and gross fixed capital formation by 17 per cent. If we strip out what has been keeping the economy afloat at this point—as we go into what is only a gentle recovery—we will risk dipping the economy back into recession, or causing a double-dip recession. The real challenge is to stimulate the economy, get people back to work, reduce social protection costs, increase revenue yield and, after that, tackle the deficit and the debt.

Then there is unemployment. What the recession has laid bare, and what none of the measures in the Queen's Speech will address, is the difficulty of creating jobs in what has become a wholly unbalanced economy. We have become far too dependent on the tax and jobs created by the growth in financial services, to the detriment of traditional employment. There has been a 40 per cent. fall in manufacturing employment over 30 years, and at least 1 million manufacturing jobs have been lost since Labour came to power. Fewer than 10 per cent. of the work force are now employed in wealth-creating manufacturing. Even with sterling down against the dollar and the euro, between 2007 and the beginning of 2009 the United Kingdom had a balance-of-payments deficit of £93 billion in the trade in goods, and a total balance-of-trade deficit that suppressed GDP growth by 1.6 per cent. That is wholly unsustainable. We need to find a strategy that does not rely wholly on tax and jobs for financial services, but creates wealth and gets people back to work.

These are the lessons that I hope the Government will incorporate in the Bills announced in the Queen's Speech and in the pre-Budget report. First, the proposed deep and savage cuts in public investment are wrong. The Government should re-profile capital expenditure for a further year to protect recovery. Secondly, there must be a real focus on rebalancing the economy to create new and sustainable manufacturing jobs. Thirdly, as well as doing their important work on bank bonuses and contracts, the Government need to address the difficult issues of derivatives, securitisation and counter-party risk, so that they can deal with the real systemic problems that caused the banking crisis rather than merely tinkering around the edges.

I thought that Labour had given up on the "We are investing while everyone else is cutting" argument because that is patently untrue, as is clear from the real-terms cut in the Scottish Government budget delivered by the Labour party in Government in London. It was massively disappointing to hear the Chancellor return to the old rhetoric. There will be no credibility in anything that this Government do, good or bad, if they persist with the "We are investing and other people are not" line, because objective reality tells us that London Labour Government budget cuts are driving cuts in every spending Department, every council and every devolved Administration in the country.

4.29 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I was a little disappointed while listening to the shadow Chancellor, the hon. Member for Tatton (Mr. Osborne),

[Mr. Jim Cunningham]

outline how he would approach the current economic difficulties. Eighteen months or so ago, the Opposition's main argument was not to do with the economy; their theme then was that Britain was a broken society. Since then they have abandoned that, however, and they are now instead trying to suggest there was no international banking crisis, but that the difficulties were all down to the Labour Government, even though most people know that to be untrue. The current economic difficulties are different from the difficulties of the '80s; the current situation is an international crisis, whereas in the '80s it took place in this country and was Government-made. That is the fundamental difference, and it is one of the reasons why the current economic crisis is also a lot deeper.

I certainly remember the '80s, and it is worth while all of us remembering them. I have a manufacturing background, and in the '80s under the previous Government manufacturing was almost entirely massacred, certainly in the west midlands. We need only recall what happened to the car industry—what happened to all the car companies that were household names not only in our country, but internationally, and the small businesses that relied on them for their trade. There were some problems with Rolls-Royce, too. All that happened under the previous Government. The Conservatives do not like to talk about the past, because when we look at how they behaved in the past, it gives us a good idea as to how they will behave in the future.

In today's debate I have identified only one Conservative alternative proposal to our policies: public sector cuts. That has serious implications. Would such cuts mean that we would go back to having fewer doctors, nurses and schoolteachers? Would public sector pension funds come under attack? The throwaway line on those cuts in the shadow Chancellor's speech today gave a lot away, although he was not spelling it out. However, if the Conservatives want to be an alternative Government, they need to spell this out to the British people now; they cannot hide from that. All the shadow Chancellor did today was quote Labour MPs and attack the Chancellor or the Prime Minister. That was a smokescreen put up to hide the fact that his party's proposals would represent a return to the past in the form of a modern-day version of Thatcherite economics.

I want to discuss some matters of local concern for me and for my Coventry constituents, in particular the recent announcement by Ericsson that 700 jobs will go. A couple of years ago there was a similarly arbitrary proposal from Peugeot. It is clear from talking to the labour force that they feel that they do not have as much protection as labour forces in Europe. We could refer back to more of the history, such as what happened at Rover. The Government must seriously think about giving people's jobs in this country more protection. As I am sure my hon. Friend the Member for Coventry, North-West (Mr. Robinson) would confirm, the company in question told us in a telephone conversation that it would not go back on its decision, but that it would start to consult. In such circumstances, all that happens in a "consultation" is that company representatives announce, "We're now going to tell you that your jobs are going."

The other important factor in the Ericsson situation is that we are short of technicians in this country, yet most of the jobs that will go will be technicians' jobs. That is another reason why the situation is so serious. That will, of course, have an effect on Coventry, but there is another issue that we in Coventry want to talk about in connection with investing in skills in the area and the wider west midlands region. We know that Warwick university is going to make cuts, yet we are always saying we want more skills. There is also a big debate going on about student tuition fees. If we are not very careful, that could become a form of student rationing. More importantly, however, jobs may be going at this university. We are due to have a meeting with the vice-chancellor to discuss that.

If the Government truly want to help Coventry economically, they could also look at the Nuckle project. My hon. Friend the Member for Coventry, North-West and I have had a number of meetings on that over the last five years. The council blames the Government for the delay, and the Government blame the council on the basis that the council has not produced a business plan. If the Government truly want to start getting the west midlands economy going—and in particular the Coventry economy—they must start to throw their weight behind that project, because it is, in a way, a west midlands project.

I am sure many Members will know about the Ricoh arena in Coventry, which is now in many ways really a national arena. It attracts a lot of visitors, as well as a lot of bands and various groups, and it could be a major player in the Olympics. That is why the Nuckle project that I mentioned is important, because we need a new railway station in the vicinity of the arena to allow people to travel back and forth. The project could create more jobs, and I hope that the Minister for Business, Innovation and Skills will talk to my right hon. Friend the Chancellor to give this a little push; as he is a west midlands MP, I would like to think that he will.

I must pay tribute to my Front-Bench colleagues from the west midlands, because the Government have taken the area seriously. If they had not, would we have had a Select Committee and a Minister? The aim is to give a bit of impetus to the west midlands, but it is equally important that Ministers understand that unemployment in the west midlands is far too high. It is probably about 10 per cent. now—*[Interruption.]* My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) seems to agree with me, and he is quite good with figures.

The Government have to start to take a good look at what is happening now in the west midlands, particularly in manufacturing. The innovation fund could be used a little more to help companies such as Jaguar and a number of others that wish to go into green technology. That is where the fund could play a major part in creating the new industries for the west midlands, and Coventry in particular. Its universities have always played a major part in engineering projects in Coventry. If the Government can get strongly behind these areas, they will start to get the west midlands moving again and give the labour force confidence, and we will retain those skills in the west midlands. These issues are therefore vital to the west midlands.

Lembit Öpik: As a fellow west midlands MP, I am sure that the hon. Gentleman is aware that unemployment is higher there than anywhere else in the country. I am sure he must also know that the university enterprise network scheme is being piloted at Coventry university

and the university of Warwick. What a fantastic way that is to harness the skills and innovation of young people and to introduce the enterprise culture—it is common in the west midlands, but we need more of it at the moment.

Mr. Cunningham: The hon. Lady makes my point for me; Warwick university is fourth in the country, and we do not want to lose that impetus. Surrounding the university are the business and science parks and all sorts of things. When we went down that road about 25 years ago, a previous Minister in the Thatcher Government said that the local authority had no business getting involved. Who was looking ahead to the future—was it the local authority or the Thatcher Government? Hon. Members can take their pick. I agree with the hon. Lady that unemployment in the west midlands is far too high, which is why I made some of my remarks about what we can do when we put some shoulder behind things.

Another issue that worries people in Coventry is the amount of credit available to small businesses. Like many others who have spoken today, I think that banks have been very slow to release credit for small businesses, and when it has been made available small businesses have been made to pay a high price for it through interest charges and so on. The Government should certainly put their shoulder behind things in that area, because as we all know, and as has been said in previous debates, small businesses are the backbone of innovation and industry in this country. These are areas in which the Government have done a lot, but we have to keep the pressure on them and tell them that although they are doing a good job, they must do more.

I hope that Ministers will take back with them some of the things that I have said today, but I wish to finish my contribution by discussing the King's Hill project. It will have major implications on the environment in the King's Hill area in Coventry, particularly in relation to the green belt. There has been a major demonstration in Coventry about the King's Hill project. It all centres around the fact that the region was asked to provide 365,000 houses. Lots of negotiations went on with local authorities—which are trying to blame the Government—but they reached a figure of 33,000 for Coventry.

It is said that the brown belt—or brownfield site—can take only 25,000 houses, and those involved want to cross into the green belt. The green-belt area of Coventry—the King's Hill area—goes back to mediaeval times. There is a vacant mediaeval village, a monument, all sorts of wildlife and all sorts of environmental things to attract schoolchildren. In my view, it would be a desecration if 3,000 houses were allowed to be built there. The infrastructure will not take it. There was a suggestion of a new railway station that would help the infrastructure, because there would then have been transport facilities, but that has now been abandoned. The roads are congested at the moment—about a fortnight ago it took me two hours to get home from my surgery—and now they want to heap more traffic on those roads. All in all, I would say that it would be an act of environmental vandalism to allow that project to go ahead.

4.41 pm

Mr. Alan Reid (Argyll and Bute) (LD): The main theme of my speech will be a common theme today: the banks and the problems that many of their customers in small and medium-sized businesses face.

In a short space of time, the banks seem to have gone from one extreme to the other—from excessive risk-taking to excessive caution. We all have companies in our constituencies coming to us with the same story. They have a good sound business, a good track record and plenty of orders, but when they try to raise money from the banks to see themselves through the recession, they are either turned down flat or, if money is offered, it is offered at a very high interest rate with a large arrangement fee and often demands for high levels of security for any loans that are offered.

Another common theme is complaints from small businesses that the cuts in the base rate are not passed on by the banks to individuals or to business customers. Getting lending moving again at reasonable interest rates is important, because although we are, I hope, starting to come out of the recession, there will still be difficult times ahead for businesses. For example, the Government's plans are to reverse the VAT cut shortly and many of the other schemes to help businesses will also come to an end.

I remind the Government that when they reduced VAT last year, two sectors did not benefit from that cut because fuel duty and alcohol duty were put up to cancel it out. Both sectors are of importance in my constituency. Fuel duty increases penalise my constituency because we must, out of necessity, drive long distances. I shall return to a theme that I have raised often in Finance Bill debates and urge the Treasury yet again to consider making use of the EU derogation that allows countries to levy lower rates of fuel duty in remote rural areas. If the Treasury could take advantage of that EU derogation and levy a lower rate of fuel duty at filling stations in the remote parts of the highlands and islands, that would contribute greatly to the local economy. It is important to remember that people in the highlands and islands face higher fuel costs as well as having to travel long distances, so the price of fuel is very important.

As far as alcohol duty is concerned, I much preferred the policy of the previous Chancellor to that of the present Chancellor. The previous Chancellor, during his long tenure in the post, had a policy of freezing the duty on spirits while allowing that on beers and wines to go up in line with inflation. The alcohol duty on spirits is far higher per unit of alcohol than that on beers and wines. Surely, if alcohol is taxed for health reasons, the only logic is that it should be taxed at the same rate per unit of alcohol. I urge the Chancellor to revert to the policy of his predecessor and freeze the duty on spirits. Whisky distilleries are major employers in my constituency, providing jobs on remote islands where other work is hard to find. I therefore hope that the Chancellor will listen to that advice.

As I said earlier, small businesses still face a difficult time. The banks that were bailed out by the taxpayer with eye-wateringly large sums of money should have a duty to help small businesses through these difficult times. Nationally owned banks should act in the national interest, and the Chancellor is the main shareholder in several banks, having a controlling interest in some and a substantial holding in others. When the Minister sums up the debate, I hope that he will tell the House what instructions the Government have given to the banks in which they are the main shareholder.

I sincerely hope that those banks have not been told by the Government that their sole duty is to maximise their profits, and that they have also been given a duty

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to help solvent British businesses through the recession. I do not mean by that that they should encourage risky lending, but there are solvent companies with good prospects and good track records that need loans to help them through these difficult times. Banks with a substantial Government shareholding should consider the needs of the entire economy, and not just focus on maximising profits.

I shall give an example from my constituency that involves the Bank of Scotland, which is now part of Lloyds Banking Group and is 43 per cent. owned by the Government. The bank decided recently to withdraw all but one of the business relationship managers from its branches in my constituency, even though local managers living in the remote communities know them in a way that business management teams located in Edinburgh, for example, could never match.

One of the affected branches was on the island of Islay. The decision to remove the business manager there has caused great outrage and concern among the island's business community, which will now be served by a manager in a business team based on the mainland. I am in full agreement with the members of that community that a manager and a team based on the mainland will never understand the special circumstances of Islay's economy as well as a manager who lived there would, and I back their campaign to reinstate the post on the island.

To the bank's credit, it has amended its plans in response to the campaign, and there will now be a dedicated team for business customers in the highlands and islands. That is a welcome step forward and an improvement on the original proposals, but I still think that the mainland-based team will not have the same knowledge of Islay's economy as a manager living there would. That is an example of how banks with the taxpayer as their main shareholder should look to support local communities. I hope that Ministers will take this issue up with the Bank of Scotland and urge it to reinstate the post.

Another way for the Government to help both individuals and small businesses would be to establish a post bank, which would have 10,000 branches throughout the country. I was pleased with the announcement about the post bank that the Prime Minister made at the Labour party conference, but I have been disappointed with the slow progress since then.

Post offices are still closing, and two have shut in my constituency since the end of the planned closure programme. As well as helping individuals and small businesses with their banking, a post bank would also help to rescue the rural post office network. I hope that the Minister summing up the debate will have progress to report on the post bank proposal.

As well as supporting businesses through the recession, the Government should also be looking at investing in the infrastructure that the country needs so badly. Infrastructure investment is needed in school buildings, public transport, broadband provision, the national grid and so on. We need a mechanism for reducing the cost of capital through Government guarantees, while at the same time tapping into private savers' demands for long-term investment. That is why I support a UK national infrastructure bank, and I hope that that it is an idea that the Government will also support.

I was very disappointed by the Supreme Court decision yesterday that the banking practice of imposing unfair overdraft charges on individuals was within the law. I was disappointed that the court sided with the banks in that judgment and I hope that the Government will soon introduce legislation to outlaw those unfair charges.

I endorse what the Chairman of the Business, Innovation and Skills Committee said earlier about the need for a supermarket ombudsman. Such a post is badly needed to help small businesses and consumers, particularly in the dairy industry where there is a huge gap between the farm-gate price for milk and the price the consumer pays at the supermarket. I hope the Government will accept the Competition Commission recommendation and set up the post as soon as possible.

I look forward to the Minister's response. I hope he will tell us what instructions the Government have given the banks in which they have a major shareholding, so that banks can help British businesses through the recession, rather than simply maximising profits.

4.30 pm

Mr. Mark Field (Cities of London and Westminster) (Con): One of the most depressing aspects of the Government's record over the past 12 years has been their unwillingness, bordering at times on the foolhardy, to take long-term decisions. One thinks in particular of nuclear energy or our transport infrastructure. The flagrantly tactical rather than strategic nature of the Queen's Speech represents more of the same.

Collectively, the nation was lulled into a false sense of security by the clement economic conditions that prevailed for a decade from the mid-1990s, alongside a delusional feeling that the good times would last for ever. In that sense at least, the Government may have been in tune with public sentiment. There is an almost primeval human urge to avoid confronting the unpalatable in the hope that today's problems will simply fix themselves. "Something will turn up" is the watchword of the cheerily optimistic and the insanely reckless alike.

One of the underlying characteristics of the deep financial and debt crisis in which we find ourselves is that continuing state of denial. Part of it is understandable. Two years of almost constant news headlines have suggested that we are living in a massive financial crisis, yet those headlines have not been matched—except for people who have already lost their jobs—by any sense of financial sacrifice among the public at large. More and more Government money is being pumped into the economy, so the sense of denial continues. Far too few of us in Parliament, across party divides, have woken up to the enormity of the debt crisis that will follow hot on the heels of the economic downturn, yet the seriousness of what will follow cannot long be denied.

For sure, technically the worst of the economic recession may now be behind us, although it would be premature to conclude that a double-dip recession is not on the cards as the effect of the continued fiscal stimulus dies off—probably just after the general election next spring. Despite some of the glib green-shoots commentary, we should understand that the banking crisis represented nothing unusual. Indeed, it signalled the end of another in a long line of boom-and-bust cycles—positively commonplace in the second half of the last century—caused by speculative euphoria and an excess of credit.

It is of course in the Labour Government's narrow interest to present the current downturn as entirely unprecedented, caused by modern financial alchemy gone wrong, failure by regulators or rank unforeseen misfortune. That is not so. It is true that the global nature of the economic crisis has made things far worse, but there are clear lessons we can learn from the past. One of the grand old names of British banking, Barings, collapsed owing £780 million only 14 years ago; today, RBS survives courtesy of a £45.5 billion bail-out. It is only the extent of the economic downturn, not its cause, that is so very different.

The UK economic downturn began when the household debt and housing bubbles burst simultaneously. Our house prices rose 88.5 per cent. in the decade to 2007. Even in the sub-prime enhanced US that index rose by only 64 per cent. Similarly, our average household debt leapt from 105 per cent. in 1997 to 177 per cent. of disposable income a decade later. In both continental Europe and the US, the overall levels and the increases during that period were significantly lower.

For the first decade of this Labour Administration, we seemed to be living in the very best of times. However, in our complacency we planted the seeds of catastrophe. Consumer consumption in the US and Europe was maintained by unsustainable levels of public and private debt. The dotcom revolution of almost a decade ago was hailed as a new paradigm. Almost imperceptibly, the wages of middle income earners stagnated, while consumption in a low-inflation, low-interest-rate economy remained apparently robust.

In truth, as we have seen, the erstwhile Chancellor's new economy was sustained by an old-fashioned private debt bubble. Cheap mortgages remained eminently affordable by virtue of the deflationary effects of China and India's emergence on the global economic scene. Given the colossal sums of taxpayers'-money that have been spent globally, and given that immense Government guarantees continue to underpin the financial system, it is remarkable how little agreement there is on what constitutes the point at which the banking industry can be said to be fixed. To that extent, I agree with what the right hon. Member for Oldham, West and Royton (Mr. Meacher) said.

Less still is there any emerging consensus on the ideal future landscape of the financial services world. That is no mere academic issue. The imperative to start repaying all that borrowing at the earliest opportunity cannot be overstated. However, commercial lending is unlikely to return to anything like normal until the second half of 2011, because toxic assets are being removed only gradually from bank balance streets. The credit crunch will be with all small and medium-sized businesses for some time to come. Extending quantitative easing beyond £200 billion would put our medium-term economic prospects at great risk, so when can the Treasury and the Bank of England call time on their short-term fixes? Despite all the euphoria of a narrative suggesting that recovery is perhaps within sight—the FTSE index has been back above 5,300—I fear that we are still a long way from being out of the woods.

I have spoken before in the House about the root causes of the global imbalances brought about by the west's financial calamity. In many ways, those causes are the credit and debt bubble, along with the east's aggressive desire to build market share in global trade. China's policy of suppressing its currency to soak up the west's debt in the bond markets further helped to keep down interest rates, yet the resultant over-investment, excess capacity and vast structural debt in the west remains in place. I agree that the underlying causes of the crisis have not yet gone away.

The biggest threat in the years ahead is that the indiscriminate pumping of money by the Bank of England into the economy will bring with it an unsustainable combination of inflation, rising unemployment, weak growth and diminished competitiveness. If we are not careful, that toxic mix will bring about stagflation—truly a back-to-the-1970s phenomenon. The very worst case scenario is that a future Government may regard a sustained dose of inflation as the quickest and most politically expedient way of helping to bring down the level of public debt.

In truth, any UK Government who are regarded as popular in 2011 or 2012 will probably not be administering effective economic medicine. To do the right thing on tax and expenditure in the years to come will not be seen as a politically easy option. The billions being borrowed now by the Government to ease the impact of the downturn for today's electors will be repaid by future generations in the form of higher spending, higher inflation and reduced living standards, yet the true cost of all that will not become apparent in the months ahead. The Government are desperately hoping that neither the sands of time, nor the patience and good will of an increasingly alarmed gilt and bonds market, run out before they have to face the voters. That makes talk of economic recovery now very dangerous.

Contrary to the rather fatuous claims by the Prime Minister, there is not a simple, binary choice, in which Tory cuts are set against Labour investment. There is a hard slog ahead for any Administration. The trouble is that much of the debate on banking regulation has focused on how we should have prevented the last crash. That has not been helped by a Government whose recent economic policy pronouncements are governed less by national interest and more by a scorched-earth approach, designed to limit the room for manoeuvre for years to come of any incoming Conservative Administration.

The fact is that the stuffing has been knocked out of this Parliament—and, in truth, all parliamentarians—by the implications of the allowances scandal. Only the catharsis of a general election can end the expenses saga. Nothing would be more catastrophic for trust in our democratic institutions and processes than for that toxic controversy to be prolonged into the next Parliament. As a result of party managers' repeated abject failure to clear up a discredited system, which many of us regarded for some time as illegitimate, the matter came to a head only when the country was in deep recession. That has made the parliamentary obsession with expenses and allowances even less palatable. The public have rightly asked, "If parliamentarians have not the ability to put their own house in order on allowances and expenses, how can they be trusted to regulate and legislate for the rest of the country?"

The political class needs to face some harsh truths. The impact of this economic downturn, to paraphrase Churchillian rhetoric, may not even be at the end of the beginning. We have been living through a phoney war,

[Mr. Mark Field]

and the shock of the economic crash has been only to our senses: we are, as I said, wallowing in a lake of Government-funded cash.

I am not sure that politics in this country has ever before experienced anything quite like the current situation. We have a discredited, exhausted Parliament that shuffles on to its day of destiny with the electorate, and it is very sad that the Queen's Speech reflects that intellectual bankruptcy and physical exhaustion. There is no flair, no vision, no passion, no conviction and no leadership—to the detriment of all whom we seek to represent. The 54th UK Parliament will not be much lamented.

5.1 pm

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): I apologise for not having been present for earlier parts of the debate, but I am very pleased to have been called to speak now.

I shall discuss a particular incident that took place in recent weeks in my city, Coventry—namely, the sudden, unexpected closure of the Ericsson research facility with its 700 highly qualified scientists and engineers. I am pleased to see on the Front Bench my right hon. Friend the Minister for Business, Innovation and Skills and my hon. Friend the Economic Secretary to the Treasury, who, like me, has a west midlands seat and has witnessed, over many years, the relentless, remorseless decline in our manufacturing sector. That is a matter for many in the House, not least the right hon. and learned Member for Rushcliffe (Mr. Clarke), who speaks for the Opposition on these matters. When he was Chancellor, he did his best in some ways to protect manufacturing and was always willing to speak up for it.

Nevertheless, the situation has occurred year in, year out, decade in, decade out, and not just over the past 10 years. It is sobering to think that over that period we have lost a further 1 million manufacturing jobs, but this is not a question of 10 years: the situation has been going on for 50 years. Ever since the war or, at any rate, the 1970s, we have seen that remorseless decline.

This is hardly a good thing, but one inescapable consequence of the recession from which we are now perhaps emerging, although we are a long way from returning to the growth rate that we enjoyed, is that people suddenly see how out of balance the economy had become. It looked great that the bonuses in the City could make good so much deficiency and decline elsewhere, but we should all have realised, and perhaps some did, that we were living in a fool's paradise. We now know that, if not all, then a massive chunk of those service industries have disappeared for good, and the huge bonuses that the City brought with it are not going to return. We have to face up over the next period to rebalancing the economy, in which manufacturing will inevitably have to play a major role. It is not going to be easy, however.

From the Front Bench and elsewhere in the House, we all speak airily of how the green economy will bring the jobs of the future, through wind energy and, eventually, solar energy and wave energy, but when I look around and see the UK output and actual and prospective employment from it, I fear that it is yet another growth area on which we will all miss out. However, one area where we and the Government in particular could give a lead is clean coal technology. There, all the areas at which we, nationally, can excel come together—particularly in making different sectors work together. We have the straightforward engineering skills, and clean coal will be a massive engineering job; we have the science aspects, including chemical process engineering; and, not least, we have the physics aspects that will inevitably be involved. We do not need to pull together a committee that works out of the Department for Energy and Climate Change, even though it would be useful, and it would no doubt give a push here and there to make us go quicker. If we could pull together people in this country—inside and outside government and in institutions—as a combined team of engineers and scientists, and set out to crack the remaining technical difficulties that stand in the way, we could at least get back into one sector.

As things stand, we are certainly not going to get back into telecoms. The work force at Coventry—700 qualified scientists and engineers—represent the very last capability that Ericsson has in telecoms communication, in both systems and optics. No one is going to pretend that telecoms is an old-fashioned technology to which we are sentimentally attached, like motorcycles were at one time, but it is a technology of the current age.

I am not sure whether it should concern us that we have no indigenous presence, let alone a British-owned presence, in that vast and important area, but it worries me that the Government are not sure about that. I do not think they have even thought about it, because we do not have a strategy Department—I do not want to hear about picking winners or anything like that—or a basic capacity to evaluate the relative importance of new, modern technologies, which are vital to the persistence of an industrialised state. I believe telecoms to be one such technology. That we do not have the capacity to ask, "Does it matter at all that Britain is about to lose its last capability in that area?" concerns me.

I put it to my right hon. Friend the Minister for Business, Innovation and Skills that he should quickly convene a group not of the great and the good, but of people who know their business, and he should ask, "Does this really matter?" Those 700 people at Ericsson may get jobs in telecoms in this country in either maintenance or servicing, but not at the sharp end of research and development for the future, particularly in optics, which is the sector that seems to be going ahead very much at the moment, and in systems.

The Government could find a way of saving some of those 700 jobs—it would not be a case of saving the whole 700 and I doubt whether more than 300 or 400 are actually involved in that key area. Let me be perfectly direct with the Minister about this. It has been put to me by people not a million miles away from the Ericsson plant that it is involved in key areas that are at the forefront of everything that the company does. The whole integrated systems work, on which Ericsson depends, in turn depends on those few key areas.

The Minister spoke the other day about all the key funds that we have set up to enable people to move forward, which are excellent. Many of the funds are working very well, and we could use them on contractual arrangements for those key areas. Perhaps the research and development and the intellectual property rights

would, initially and understandably, have to remain with Ericsson, but we should nevertheless retain the key element of that work force.

Instead, we have done what we always do. I make no excuse for that, because like everybody else, I do it. The unions phone up and we say we will have a meeting, at which they say, "Look, you've got to get the Secretary of State." We say, "Yes, we're going to a meeting with the Secretary of State." We then go to the management, who say, "That's great. Let us know how you get on. Are you going to help us?" We have a meeting here, and the Secretary of State, who is active long before we get to him—all deference to him for that—is on the phone twice, laying the law down, saying, "This isn't good enough," and Ericsson management reply, "Too bad."

That is what happened, and it was to a very formidable Minister in another House that I put those suggestions. Only if we can create a sanction of some kind or an incentive that a company cannot resist will anything happen. Something along the lines of my suggestions to the Minister could well amount to such a sanction or incentive.

As the Minister knows, we are due to meet him next week—*[Interruption.]* I apologise if he did not know that. The meeting is tentative until he confirms. I may bring not only the unions, but one or two of the key technologists in the area, if they will come, who know what they could do and how the matter can be taken forward. What we do not want is to roll over once again, without knowing how critical it may be to our economy, and say, "Another 700 jobs gone. Isn't it terrible? That's 1,000,700 this year and in another five years it will be another 500,000." We simply cannot carry on like that, especially now that the recession has bitten so deep. Look at the strength of Germany, France, Italy and Japan, let alone the newly industrialised countries. We have to have a more nationally focused effort, without picking winners, and I think that Ericsson would be a good place to start.

5.10 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): It is a pleasure to follow the hon. Member for Coventry, North-West (Mr. Robinson). His contribution typified our debate. We had some good, fun, political knockabout from the Front Benches, but others have debated the much wider issues that our economy faces and the impact that the headline figures for unemployment, GDP and growth have on people in our communities. I shall focus on the human impact in my constituency of the economic difficulties that we are having, not least because the national statistics do not effectively capture some of the complexities that are experienced locally. There is a lot going on behind those large figures and my concern is that the difficult experiences of people, even if they are not unemployed, do not get picked up and are not properly addressed. Too many cases have been brought to my attention in which the rash of centralised initiatives that we have seen—in many different areas, including business support, housing and employment support—may have grabbed the headlines, but have not been so good at delivery.

The first example is the small business loans fund. I asked the South West of England Regional Development Agency how many applications it had received since April, how many were currently under consideration and how many businesses had received funding. I was told that 280 applications had been received, which is not bad. Of those, 80 were still being processed and only nine had received funds, only three of which were in Cornwall. A 3 per cent. success rate is not good enough, especially when the Government's slogan is "Real help now." Perhaps it should be, "Real help in a bit, when we get round to processing the applications." Speed of response is as important as ensuring that the funds are appropriately directed, and it is clear the Government have failed many local businesses in my constituency that are trying hard to keep their head above water.

Another example is a coffee-roasting company that had hoped to expand and buy some capital equipment. It applied for a grant from the business investment fund. It was turned down by the RDA because the wages paid were not high enough at £16,500 a year. In Cornwall, we rely on small businesses and incomes are low. For many people in Cornwall, that is a decent wage, but the RDA finds it difficult to respond to the small scale of support that is needed.

The mortgage rescue scheme was yet another flagship announcement of Government support. Constituents of mine were told this time last year that they would be among the first people to benefit from the buy and rent back scheme that the Government proposed. My constituents had anticipated that when their fixed rate ended they would experience difficulties, and they did everything that they could to avoid that. They had never been in arrears and they told their mortgage company two months in advance. They were very excited by the prospect of some support that would allow them to stay in their home, even if they did not own it. They were told to stop making any contributions towards their mortgage while they were considered for the scheme, and as a result they ended up in arrears and with legal fees. In April, they were told that they were no longer eligible for the scheme, and they are now in a worse position than they would have been if they had not sought help. They are unable to remortgage because they have arrears, they have negative equity, and they are very worried that they are going to lose their house. From their point of view, the Government's intervention has made their circumstances worse, not better. I am disappointed to report that following correspondence with the Minister for Housing, they felt that his Department had failed to accept any responsibility for the role that it played in their current circumstances, which are appalling. I hope that he will consider the case again.

I do not necessarily have a problem with the need for such initiatives, because businesses and home owners need support. Publicising those initiatives has an important impact on perception, but perception matters only if it matches up with experiences on the ground. Unfortunately, the experiences of my constituents are very different from what is highlighted in press releases when the initiatives are announced.

In tackling the current economic situation, speed of response is vital. I am not sure that the Government have accepted that. I would cite not only the example I gave about the small business loan scheme but the support that people are provided with when they are looking for work. This week, I visited Working Links in Redruth, which I found extremely impressive in terms

[Julia Goldsworthy]

of the work it was doing to deliver the flexible new deal, providing people with highly individual support that was important in giving them confidence. However, I could not understand why an individual has to be out of work for a year before they stand to benefit from such tailored, individualised support. Nor could I understand another aspect that would be simple to change and would address the fears of many of the people I spoke to during my visit. One of the clients said that they were worried about participating in the scheme because it involved signing off from jobseeker's allowance for two weeks while they did some work-based training and then signing on again, which could result in administrative delays and, in turn, in their being out of pocket. Simply suspending jobseeker's allowance instead of requiring people to come off it and then go back on it again would help to give people confidence that the scheme could help them. I hope that the Government will consider such simple measures.

I want to draw the House's attention to one further example from my constituency that highlights the group of people I spoke about at the beginning—those who do not register on the radar in terms of unemployment numbers but are in a very difficult situation. Two of my constituents, Mrs. Blight and Mrs. Bennetts, have worked in a factory in Falmouth for 19 years; they are long-term, full-time employees. Since 6 July this year, the entire work force have been on a three-day week instead of 40 hours a week, and their incomes have nearly halved. They approached me to ask what I could do to help. This is an extract from their e-mail:

> "After making several phone calls we find we are not entitled to anything to help people in this situation. The company can continue to keep us on a 3 day week indefinitely; we cannot request redundancy because we work more than half the week, no tax credits because we do not work more than 30 hours and no job seekers allowance because we work more than 16 hours."

They are in a Catch-22 situation. They are low-income workers—basically, on the minimum wage—who are in a stable job and suffering genuine financial hardship. Again, there is no real help now for those people.

I ask the Minister to explain that situation. These people will not appear in unemployment statistics, but they are being hit hard by the current economic climate. They are the kind of people whose experiences need to be understood and properly addressed. Their circumstances are glaringly obvious at a local level, but they get lost as they are passed up the line to central Government, who are unable to respond on the scale that is needed, often on an individual or tailored basis. These people need a response and support that can be put in place quickly, and that is flexible and can change according to different needs on the ground. That can be done much more easily at a local level than from centrally driven Departments.

That is why I find the Queen's Speech so disappointing. Surely now more than ever we should have had further moves on devolving powers and spending to a more local level so that local authorities and other local agencies have the power and resource at hand to provide help where and when it is needed. Instead, we have a Bill with no mention of any localist agenda whatever. My frustration is that at the very time when we need localism to receive support and be driven forward, it has disappeared off the agenda entirely. That is a great shame and will create great difficulties for many people experiencing financial troubles.

5.20 pm

Mr. David Jones (Clwyd, West) (Con): In the short time available to me, I should like to focus on one sector of the economy that is extremely important in both United Kingdom and Welsh terms, and that is the construction industry. It is a major driver of the British economy, employing some 2 million people in this country and accounting for some 6 per cent. of national economic output, worth more than £120 billion in 2008.

The construction industry is very much one of small enterprises. In fact, there are approximately 1 million construction enterprises in this country, some 85 per cent. of which are sole proprietorships. The industry has been severely affected by the recession. In the 12 months to this June, some 82,000 jobs, or 3.6 per cent. of the construction work force, were lost. While output in the economy as a whole fell by 5.1 per cent. in the third quarter of 2009, output in construction fell by some 13 per cent. It is clear that the construction industry is being affected severely and disproportionately, and the industry sees very little cause for optimism that the position will improve. Last month, the Construction Products Association forecast that construction output would fall by as much as 15 per cent. this year and a further 2 per cent. next year. Indeed, it forecast that we would not arrive back at 2007 levels of output until 2021. Clearly, the construction industry is in a severely worrying condition, and urgent action is needed on the part of the Government.

Frankly, what the industry needs more than anything else is access to cash, because banks are notorious for not lending to construction companies at all at the moment. I hear repeatedly in my constituency the complaint that it is almost impossible to start a new development, because of a lack of access to credit. The Government have put some measures in place, but frankly they are small-scale compared with the level of the problem, and they are somewhat timid. The enterprise finance guarantee scheme, for example, is worth only £1.3 billion in total, which is far too small a figure to make any significant impact on the industry as a whole. The trade credit insurance top-up scheme, according to recent surveys, has been taken up by only 1 per cent. of construction companies. Overall, measures put in place by the Government have done little or nothing to alleviate the plight of the industry. With the pre-Budget report impending, I entreat the Government to give urgent consideration to the Conservative party's proposals for a proper, large-scale, £50 billion national loan guarantee scheme. That is the type of scheme that is required to make any significant impact on the plight of the building industry.

In north Wales, the industry is of considerable importance. Indeed, it is traditionally the most important industry in the region. In the whole of Wales, some 45,000 people are employed in construction. I therefore wish to touch on the importance of the coherent development of building regulations. It is a matter of great concern that at this difficult time for the construction industry the Welsh Assembly Government have seen fit to make an application to the UK Government for a transfer of functions order to enable them to have

control of the building regulations system in Wales. That has caused immense concern in the Welsh building industry, principally because it, like the rest of the UK building industry, is now aiming to achieve the UK Government's target of zero carbon emissions by 2016, which in itself is a highly ambitious target.

The Welsh Assembly Government, however, are seeking to bring the target forward to 2013. The response that I have had from constituents of mine engaged in construction is that, if that happens, it will have a devastating effect on the north Wales construction industry. North Wales builders will simply hit the A55 an hour earlier and start constructing in the north of England, and there will be a migration of skills out of north Wales. I entreat the Minister to confirm in his response that he will have words with the Welsh Assembly Government and put pressure on them to ensure that the new building regulations are adopted coherently and contemporaneously.

5.25 pm

Mr. Philip Dunne (Ludlow) (Con): I am grateful for this opportunity to come in at the end of our response to the Gracious Speech. I would like to concentrate on two features. First, it seems incredible that the Queen's Speech was virtually devoid of any mention of the state of the public finances. I appreciate that the pre-Budget report is only two weeks away, but there was precious little mention of the finances, with the exception of the suggestion of a fiscal responsibility Bill. However, I give as little credence to that measure as do the professional commentators who have chosen to speak on the subject.

In a press release this month, the Institute for Fiscal Studies stated that

"it is far from clear why investors and voters should be any more impressed by this [the Fiscal Responsibility Act] than they were by the Code for Fiscal Stability, which was enshrined in statute with much fanfare in 1998... Yet by early 2007, well before the current crisis—the Financial Times' annual survey of City and academic economists found that 'almost none use the Chancellor's fiscal rules any more as an indication of the health of the public finances.'".

That was before the public finances got into today's dire state.

We find ourselves in an economy in which £1 in every £4 spent by the Government is borrowed, and I suspect that we will establish in two weeks that the Government's estimates for borrowing have been massively overshot. The Government told us at the time of the Budget—hon. Members have referred to this figure—that we will be borrowing £175 billion in the current year. Last week, however, on the back of the announcement of the September monthly borrowing figures, the IFS indicated that public debt could exceed that figure by a further £42 billion this year. We could be looking, therefore, at a figure of £217 billion of public debt. The figures are almost incomprehensible and impossible for us to get our mind around, yet the Government seem to be oblivious to the fact that it is happening. All they have said is, "Well, we'll set up a law to prevent it from happening again," without introducing any credible measures for doing so.

It is not just people on the Opposition Benches and external economists commenting on such matters in this country who are saying those things. Other significant figures around the world are concerned about that approach to the deficit. I shall give one more quote. This is someone quoted in *The Times* on 18 November:

"I think it is important though to recognise that if we keep on adding to the debt, even in the midst of this recovery, that at some point, people could lose confidence in the...economy in a way that could actually lead to a double-dip recession".

That was President Obama speaking about the US economy, which has already started to emerge from recession, unlike our own.

President Obama is right to point to those concerns. However, they are particularly pertinent in the case of our economy because we are faced with the worst underlying, structural debt of any of the major OECD economies. As my hon. Friend the shadow Chancellor said earlier, that is giving rise to serious questions about whether the Government can maintain our credit rating, which is so fundamental to future projections for servicing this monumental debt with which we are now saddled. Some credit rating agencies have warned that we are starting to appear on their watch lists. The Government need to be immensely careful about that.

In the remaining minute before the winding-up speeches, I want to refer to one of the burdens that the Government are imposing on small businesses, which will be the engine of our economic recovery. It is the revaluation of business rates, which is due to come into force next April. By picking a revaluation at the peak of commercial rental valuations in April 2008, the Government, if they proceed with the revaluation—I sincerely hope that they will think again and follow the example of the Northern Ireland Executive and scrap it, as we have urged them to do—will lock businesses into historic high rating valuation methods for the next five years.

Although there will be some winners, there will be many significant losers. What it means to people in rural areas such as the one that I represent is shown in a message that I received from the proprietor of a filling station with the only general store in my local village. He is faced with a rating bill increase from £4,650 to £26,000 a year—a 459 per cent. increase. It takes him over the threshold for transitional relief and he therefore has no prospect of any relief on that. I urge the Minister to think again carefully about introducing the rating revaluation at such a critical time for the British economy.

5.31 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): My hon. Friend the Member for Cities of London and Westminster (Mr. Field) described the fag end of a Parliament that we are undoubtedly in at the moment. As we all know, we have reached the stage whereby the Government are pointlessly going into a last six months because they cannot call an election with any confidence of winning at the time that they normally would. We therefore have to fill the time, and in this particular Parliament, that is not a pretty sight.

The death of a Government is never a pretty sight and the Government have decided that they are near death, but they are desperately trying to find some good political lines in the Queen's Speech that might give them a last chance and hope. That is bad for a political system that is in disarray and discredited, and appallingly bad when we are in the deepest economic crisis that anyone living in this country has ever experienced and when it is urgently necessary to have some leadership and decisions. That is a sad background to the debate.

[Mr. Kenneth Clarke]

It has happened before. We have had fag-end Parliaments and doomed Governments; I have been in them, seen them—going, going, gone—but we have never had one behave in this way. When the Wilson Government were coming to their end in 1970, the dafter members of that Government thought that Roy Jenkins should introduce a giveaway, reckless Budget to save them, but he did not. He gave an extremely responsible Budget, which won the plaudits of history if not the thanks of all his colleagues at the time. The Callaghan Government, coming to their inevitable end in 1979, continued with the public spending cuts that were necessary to get out of the last very deep fiscal crisis that we experienced, which had caused them to go to the IMF. I did not think that we had much chance of electoral success when we faced the prospect of the 1997 election, but my last Budget was responsible—there were no poisoned pills in it. Indeed, the then Opposition supported and adopted my fiscal judgments. So straightforward were they that the Blair Government, keeping their promise to stick to my figures for three years, took us on to growth with low inflation and, eventually, a budget surplus, showing that it was possible for the political system to rise to great events.

What a contrast with the current Prime Minister and Government. We have a concoction of Bills—I suspect that all the responsible Ministers hope that they will not get on to the statute book to embarrass any future Government—and an extraordinary attempt to try to find some dividing lines on which to fight the election politically. We had Tory cuts *v.* Labour investment, but that has been modified. We ought to have a serious debate about the relationship between the prospects for growth and those for getting over the problem of debt. It is not a choice between going for growth and tackling the debt. Tackling the debt is a precondition of getting back to growth at any sensible or normal level. The Prime Minister's attempts to drive us apart on that are absurd.

It has always been, I think, the holy grail of economic policy in Britain to go for growth with low inflation. Nowadays we should make that sustainable growth with low inflation, which we did for a period in the '90s and the early part of this century. Of course that remains the objective on this side; we are putting forward what we are putting forward because we realise that growth is the way back to prosperity and that growth will eventually put this country back on its feet. Our policies give a greater promise that the flickering level of growth, which the Chancellor thinks we might see at the end of this year, can within a reasonable time—after some tough and necessary measures—be turned into normal growth and get us back to a prospect whereby trend growth of 2.5 per cent. starts looking like the likely basis for sustainable growth again.

We are in the longest and deepest recession we can recall. The hon. Member for Sunderland, South (Mr. Mullin) reminded me of its origins, which are now behind us, and many of those origins were here in this country and governed by his Government. He is quite right, however, that the hubris of bankers in the City of London rivalled that in Wall street. Our particular regulatory system, devised by the present Prime Minister, turned out to be completely and utterly useless, and this was the major cause of the depth of the recession here.

The Chancellor tried to explain why the recession has been particularly deep here and what it was that caused it to be so bad, making us lag behind the field in getting out of recession and into growth. There are some very good reasons. He gave one himself—that the financial services industry was a particularly large part of our economy—but that is only part of the story. The other feature here, as others have said, is that the housing market went through a bigger bubble here even than in places like Ireland, Spain or the United States, which also suffered from the problem. The level of household debt in proportion to gross domestic product was higher here than it was in the United States, but all that was tolerated and all the warnings were ignored by the Government.

The level of public debt in this country is more severe than that of most other countries in the developed world because our public finances were in a mess under the previous Chancellor before the credit crunch was even thought of or had even started. It is on top of that [illegible]e vast sums of money had to be put in to rescue t[illegible]anks. That is why the rest of the field is moving away from us, with everyone else moving into feeble growth. We are still behind and the debt remains one of the handicaps around our neck that makes this country move forward slower; it will make our growth more feeble and slower unless it starts to be tackled now. There is a direct link between the two.

Other Members have talked about the problem. My hon. Friends the Members for Gainsborough (Mr. Leigh) and for Mid-Worcestershire (Peter Luff) touched on it, and the problems of financing it were graphically described by several hon. Members. At the moment, we are financing this debt because the Governor of the Bank of England is printing money and is the principal purchaser of the debt. We are monetising the new debt, which we would never have dreamed of doing. The Governor of the Bank of England would never have dreamed of doing it either unless the crisis had been so bad. That cannot go on indefinitely.

As was said earlier, foreigners will eventually have to finance the debt. As my hon. Friend the Member for Cities of London and Westminster explained clearly, with the level of debt being run up by other developed countries, we have to persuade people to have confidence in this country to buy sterling-denominated assets and to finance our debt at an affordable price. Several Members warned about the rising level of debt interest as part of the public debt. Of course, as interest rates are brought back to a more normal level, if we are driven to higher interest rates because we have to sell our gilts and have to get somebody to accept the risk of financing our debt, we will find our economy slowed down by rising interest rates and the cost of servicing the debt will go up, perhaps leading us into a debt trap. I will not go on.

It is against that background that we have seen the utterly comic complacency of a Prime Minister who would not accept that we were going into recession, who told us we were better prepared than any other country and who then said that talk of drastic measures boldly set out by my hon. Friend the Member for Tatton (Mr. Osborne) at the Conservative party conference was somehow a threat to the country's future. All that is irresponsible in the extreme.

I strongly suspect that the Chancellor of the Exchequer, doing his best when he started, knows that perfectly

well. There was a bit of a contrast between the emphasis he put in his speech and what is meant to be the main thrust of the election campaign being masterminded by my opposite number, when he has time between his other duties in another place, and that being put together skilfully by the Secretary of State for Children, Schools and Families, the Prime Minister and the people who rather resent the Chancellor still being in his role. Perhaps that explains the difference, shall we say, in tone.

The other big problem, to which I have no time to do justice, but to which Members from all parties referred, is the overwhelming one of credit, which, in the short term, has not been solved. It is perceived rightly as the biggest threat to the continued existence of some of our medium and small-sized businesses, and certainly to any prospect of growth for most of them in the near future. At the beginning of the year, the Government brought out streams of schemes and measures to tackle the credit markets. I refer Members only to that part of the speech of my hon. Friend the Member for Tatton in which he named some of those schemes, which turned out, in practice, to be trivial in their consequence, in contrast to the fanfare surrounding them when they were the initiative of the day.

We put forward our broad-brush loan guarantee scheme, which would have been a bolder, simpler approach. When and if we take office, depending on the state of the credit markets at the time, some bold action to get the credit markets going and to encourage banks to take more risk than they are taking at present with small and medium-sized business, will be essential. The Government have failed.

On the wider front, we have touched on the key subjects. When the Minister for Business, Innovation and Skills winds up, I hope that he will give some explanation of why the Government have abandoned deregulatory budgeting, which we propose, alongside sunset clauses for the regulatory bodies. In my opinion, Tony Blair was genuinely enthusiastic about deregulation when he took office, and wanted to reduce the costs and burdens for business. He had been sold on that policy. As Prime Minister, however, he had no time and was not a great man for detail, and the matter got away from him. It has totally fizzled out, and the Government have no deregulatory proposals, but we will have such proposals, because lifting the burdens from business will be essential.

Tax proposals have been put forward by my hon. Friend the Member for Tatton. On employment and skills, we are addressing the comprehensive programme put together by David Freud and developed by all teams on the shadow Front Bench, in order to ensure that the huge problem, especially for the 1 million young people who are in a labour market that have no jobs, can be tackled effectively by the incoming Government.

Lastly, I will touch on the one matter to which the Chancellor hardly referred, and which sums up the cynical approach of the leadership of the Labour party, and such part of the party that still follows that leadership, in presenting this Queen's Speech. I refer to the fiscal responsibility Bill. My hon. Friends the Members for Clwyd, West (Mr. Jones) and for Ludlow (Mr. Dunne) were rather kind in their strictures on the matter. I think it is quite the most preposterous measure brought before the House for a very long time. A Government who have absolutely no policy proposals to control the largest deficit in the developed world, with a huge structural deficit at its heart, give us the reassuring news that if they have not halved the deficit in four years' time, somebody will be summonsed. It is not even clear who will be held responsible. Will it be whichever hapless soul is the Chancellor of the Exchequer? Could it be the present Chancellor of the Exchequer, who, I think, would be entitled to say that his predecessor, if anybody, should be the person subject to legal sanction? The Bill is a ludicrous proposition, and is designed to give reassurance where there is no substance. This Government—new Labour—came in on the basis of all style and no substance. They still have no substance, and the style has become shoddier as we near the end.

I am a great fan of Benjamin Disraeli, and I looked up a passage that I often quote slightly inaccurately. Denouncing the dying Government of Mr. Gladstone in the early 1870s, Disraeli—he was about my age then, and sustained himself with a very large amount of liquor while making his three-hour speech in Manchester; only water is sustaining me—used a very grand phrase. He said:

> "The ministers remind me of one of those marine landscapes not very unusual on the coast of South America. You behold a range of exhausted volcanoes. Not a flame flickers on a single pallid crest."

That quotation is not really suitable for today's debate, however. These Ministers could not be described as volcanoes. They were merely foothills when they started. The Queen's Speech shows that they are finished, and it is a pity that they go out on such a low note.

5.46 pm

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): Let me begin by congratulating the right hon. and learned Member for Rushcliffe (Mr. Clarke) on what, as we learned earlier, was his first winding-up speech in a debate of this kind for some 20 years. I believe that he was recently awarded the "Best Newcomer" award by *The Spectator*, and I congratulate him on that as well. Perhaps the Department for Business, Innovation and Skills is the arena for comeback kids. If so, the right hon. and learned Gentleman is most welcome.

Today's debate has focused on the parts of the Gracious Speech that are about recovery from the recession and establishing the foundations of future prosperity and economic growth. A number of Members have spoken, raising issues relating to Government debt, banks and access to credit for small businesses, and Government support schemes. I shall deal with those issues later, but one or two Members also raised issues specifically involving their constituencies.

My right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) spoke with great passion about a planning application in his constituency that has been turned down. I hesitate to comment on individual planning applications, but I am sure that the attention of the Secretary of State for Communities and Local Government has been drawn to my right hon. Friend's speech. The one thing that I will say, and I hope I am not going too far in saying it, is that when such circumstances arise—and I understand that the Secretary of State's recommendation was made on the advice of inspectors, not against it—sometimes an altered, or amended, application can present a way through the logjam. I hope that discussions will continue between my right hon. Friend, his local council and the Department.

[Mr. Pat McFadden]

Let me now turn to the main issue that is before us. The way in which we secure—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Minister, but there is far too much conversation going on. This is the climax of the debate on the Queen's Speech, and the Minister should be heard.

Mr. McFadden: Labour Members, at least, believe that how we secure future prosperity and growth is important. It matters to every family and every community in the country. People in the country have felt the pain of the downturn, and now they want to know about the economic future. They want to know how our industries are to recover, and how people are to be equipped for the jobs of tomorrow.

My right hon. Friend the Chancellor set out the response that the Government had made to the crisis. My right hon. Friend the Member for Stirling (Mrs. McGuire) drew our attention to the enormity of the decisions that were made, particularly just over a year ago when the banks were nearing collapse. I think that we are in danger of taking that for granted. One of my hon. Friends referred to timidity and a limited response. I really do not think that the unprecedented intervention in the banking system a year ago can be characterised as a timid or limited response. The decision to intervene on such a scale to shore up the banking system was a huge decision, and whatever the consequences and the difficulties now are for businesses and home owners—and they do exist—the consequences of not taking such action and allowing the system to collapse, which was the alternative, would have been absolutely catastrophic for the people we represent.

Mr. Redwood: Why then did the Government propose the merger between HBOS and Lloyds, making the banking rescue dearer and more difficult?

Mr. McFadden: It was the companies who came together; the Government did not force that merger.

All around the world, other Governments did things similar to what we were doing in terms of fiscal stimulus, but the Leader of the Opposition said:

"We were against the fiscal stimulus".

He and his shadow Chancellor argued for public spending to be cut just when the country needed it most.

The taxpayer has saved the financial system, and the Financial Services Bill focuses on the need for responsibility in the financial services industry in return for the commitment given by the taxpayer. The Bill will make it clear that we want a strong financial services sector, but also that it has to behave in a way that acknowledges the support given by taxpayers and the obligation to them, rather than in a way that flouts that support or acts irresponsibly with other people's money.

Like my right hon. Friend the Chancellor, my noble Friend the Secretary of State for Business, Innovation and Skills has welcomed the Walker report and has asked the Financial Reporting Council to take forward the work on engagement by institutional investors. However, our response to the recession has not just been about the financial services sector; we have also looked beyond the recession to the jobs and industries of the future, to ensure that there is national capability in key areas and to equip people to do the jobs that the changes will bring.

A number of Members, particularly those on the Labour Benches, spoke about the importance of manufacturing and the digital economy. Time after time in recent months, we have made announcements and allocated funds in these areas of future opportunity. The low-carbon industrial strategy, launched with our colleagues in the Department of Energy and Climate Change, set out support of up to £120 million for offshore wind, up to £60 million for wave and tidal power and £19 million for the nuclear supply chain. There is support, too, for aerospace, printed electronics and electric vehicle-charging infrastructure, and today my noble Friend the Secretary of State announced over £20 million to establish a national composites centre in Bristol and a competition to make sure we succeed in these technologies that are so important to our economy. None of this would have come from a Government determined to cut support in the middle of a recession.

Mr. Graham Stuart: May I take the Minister back to the issue of the Lloyds-HBOS merger? It was right to make the covert loans, but it was wrong for the Government to lean on the directors of Lloyds and encourage them to merge with the other company when they could not tell their shareholders the truth about the financial state of the other company.

Mr. McFadden: I simply disagree with the hon. Gentleman's account of events, and I refer him back to what I said on that subject a few moments ago.

There is all this emphasis on industry as well as finance because we on this side of the House believe the best way out of the recession is to foster pro-growth policies. Growth is the best antidote to debt. Growth will get industry back on its feet, will get orders moving again for services and manufacturing alike and, crucially, will get people back to work. However, throughout the entire economic downturn, the official Opposition said we could not afford to take the action we took. The Leader of the Opposition called this a new age of austerity. He said the Government should have started reducing their spending plans last year; he said that should happen

"right now. Not next year, not after the election—now."

His shadow Chancellor followed that up by making a speech at the Conservative party conference that never mentioned growth once.

The problem for the Conservative party is that ideologically it cannot see a role for Government in fostering growth. Even after the events of the past two years—after the recession has hurt communities across the country and after all that has happened with the banks—the Conservatives have identified the biggest problem facing the country not as the irresponsibility in the banking system or the consequences that followed, but as "big government". They told us that the age of austerity was dawning.

Mr. Pelling: Will the Minister give way?

Mr. McFadden: I really do not have time, and I want to make progress.

The Tories told us that big government was the problem, and that it must be cut down to size. The nation could only wonder where the Tory axe would fall. That was true until last weekend, when suddenly, faced with the public's emerging view of this age of austerity, it dimmed from our view. It was obscured by the desperate screeching of brakes as the Leader of the Opposition made a hand-brake turn to talk about growth, after all those months of silence. That desperate change of direction did not communicate a genuine desire for growth; all the switching around has simply communicated confusion, uncertainty and risk in relation to the Conservative party's plans. That matters, because getting the judgment on this wrong could set back growth and cost the country even more in the future. Having got it wrong on the recession the Tories are now getting it wrong on the recovery. Their obsession with seeing government as the problem has hobbled them and prevented them from forming a coherent response to the crisis that we have been going through.

Of course the country wants to reduce debt incurred as a result of the recession, and the Bill that we set out on this subject in the Queen's Speech commits us to doing so. However, we have to do so at a time and in a manner that fosters growth and supports recovery, not that threatens to kill it off before it gets off the ground. That was the precise point made this week by Mr. Dominique Strauss-Kahn of the International Monetary Fund, who said of the timetable for stimulus withdrawal:

"We recommend erring on the side of caution, as exiting too early is costlier than exiting too late".

In the same vein, the Engineering Employers Federation said this week that a squeeze on public spending should not start until there is "demonstrable evidence" that economic recovery is secure, and that premature action would risk

"pulling the rug out from companies just as growth looks set to return".

If the Tories' problem on fiscal policy is one of judgment, their problem on industrial policy is one of silence. Again, the right hon. and learned Member for Rushcliffe had nothing to say about future industrial opportunities for the country, nothing to say about the shift from a high-carbon economy to a low-carbon one, and nothing to say about the digital information revolution. The only two policies that I have heard from the Conservative party in two years of debating with him about this are getting rid of the regional development agencies, which are business led and are having an effect in our regions, and cutting capital allowances to companies seeking to invest for recovery.

Can the Conservatives confirm that their policy on capital allowances would mean that a company investing £1 million per year would get almost £90,000 more tax relief on that investment in the first year under the current Government system than under the plans that they want to introduce? Can they further confirm that a small firm investing £50,000 would get £9,000 more tax relief on that investment in the first year under this Government's system than under the proposals that they advocate? Theirs is not a plan to support recovery; it is a plan to withdraw tax relief from the investments necessary for a recovery.

Apart from that, all we get is the scorecard on our initiatives. We have launched a number of schemes to get lending moving and to support manufacturing, such as the enterprise finance guarantee, which has provided £660 million to 6,500 businesses. Some 150,000 businesses have been helped by the time-to-pay tax initiative.

Question put, That the amendment be made.

The House divided: Ayes 226, Noes 319.

Division No. 3] **[5.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert

Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leech, Mr. John
Leigh, Mr. Edward
Lewin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Osten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. Jamie
Paisley, rh Rev. Ian
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Bob Wilson and James Duddridge

NOES

Abbott, Ms Diane
Alnger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David

Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malleber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
Moleaec, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stanley, Dr. Phyllis
Stewart, Ian
Sicala, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Trusswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Watho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Kerry McCarthy and Mary Creagh

Question accordingly negatived.

Amendment proposed: at the end of the Question to add:

"but humbly regret that the Gracious Speech fails to provide proposals for constituents to recall hon. Members for misconduct, to provide for a code of financial conduct for candidates at the next general election so that the public can understand the financial affairs of those they are voting for, to complete the reform of the House of Lords to ensure that only people who have been democratically elected have power to make law, to reform party funding to ensure that the influence of large corporate donations is removed, to fix the length of the parliamentary term so that the date of a general election is known years in advance, to provide a Citizens' Assembly to agree a new voting system for parliamentary elections and fundamentally to review the procedures of this House to strengthen the power of backbenchers, reduce the power of the whips and ensure that the business of the House is organised transparently in a formal committee of the House."—*[Mr. Burrowe.]*

Question put forthwith (Standing Order No. 33). That the amendment be made.

The House divided: Ayes 64, Noes 469.

Division No. 4] **[6.14 pm**

AYES

Alexander, Danny
Barrett, John
Bell, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hoyle, Stewart
Howarth, David
Hulme, Chris
Hunter, Mark
Kaetch, Mr. Paul
Kramer, Susan
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
Mason, John
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Rennie, Willie
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Alan Reid and Mr. Roger Williams

NOES

Abbott, Ms Diane
Ahrlyle, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amesbury, Mr. David
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, rh Mr. Ben
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Caims, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connerty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Cousins, Jim
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, David T.C. (Monmouth)
Davies, Philip
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorries, Nadine
Dowd, Jim
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael (Worcester)
Foster, Michael Jabez (Hastings and Rye)
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Glenys, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hayes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoddbome, Mr. Philip
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horam, Mr. John
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hunt, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Knight, rh Jim
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Leslie, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackinlay, Andrew
Maclean, rh David
MacShane, rh Mr. Denis
Macleggard, Fiona
Main, Anne
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Maples, Mr. John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah

McCartney, rh Mr. Ian
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLaughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Moir, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Moss, Mr. Malcolm
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Nagpaul, Dr. Dawn
Neill, Robert
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Mr. George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pidcock, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pugh, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Jamie
Reid, rh John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Ruane, Mr. Frank
Ruane, Lindsay
Ruane, Chris
Ruddock, Joan
Rutley, Mr. David
Russell, Christine
Ryan, rh Joan
Sailer, Martin
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, David
Simpson, Mr. Keith
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh [illegible]
Smith, John
Snelgrove, Anne
Soames, Mr. Nicholas
Soubry, Sir Peter
Southworth, Helen
Spelar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Straw, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Trussell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Usher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Wallace, Mr. Ben
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Kerry McCarthy and Mary Creagh

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Address to be presented to Her Majesty by Members of the House who are Privy Counsellors or Members of Her Majesty's Household.

Business without Debate

STANDARDS AND PRIVILEGES

Ordered.

That Mr. David Curry be discharged from the Committee on Standards and Privileges and Sir Malcolm Rifkind be added.—*(Steve McCabe.)*

SITTINGS OF THE HOUSE

Motion made.

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely: in paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Steve McCabe.)*

Hon. Members: Object.

PETITIONS

Equitable Life (Shipley)

6.29 pm

Philip Davies (Shipley) (Con): I wish to present a petition on behalf of my constituents, Mr. and Mrs. Deppe, about the issue of Equitable Life and the Government's failure to implement the recommendations of the parliamentary ombudsman.

The petition states:

The Petition of residents of the constituency of Shipley in the West Yorkshire region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000427]

Equitable Life (Reigate)

6.30 pm

Mr. Crispin Blunt (Reigate) (Con): I wish to present a petition on behalf of 94 of my constituents, which is somewhat similar to the petition that the House has just heard. I wish first to declare an interest as I was a policyholder of Equitable Life during the period reported on by the parliamentary ombudsman.

The petition states:

The Petition of residents of the constituency of Reigate in the Surrey region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000428]

Equitable Life (Poole)

6.32 pm

Mr. Robert Syms (Poole) (Con): This is a petition on Equitable Life raised by Mr. Robert Johnston of Poole.

The petition states:

The Petition of residents of the constituency of Poole Borough in the Dorset region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000429]

Equitable Life (South Staffordshire)

6.34 pm

Sir Patrick Cormack (South Staffordshire) (Con): I also wish to present a petition on a similar subject. Like my hon. Friend the Member for Reigate (Mr. Blunt), I wish to declare a personal interest as having been a policyholder with Equitable Life. The petition is signed by Mr. Barrie Powell and 30 constituents in South Staffordshire.

The petition states:

The Petition of residents of the constituency of South Staffordshire in the Staffordshire region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000430]

Select Committees (Election)

Motion made, and Question proposed, That this House do now adjourn.—*(Steve McCabe.)*

6.35 pm

Mr. Graham Allen (Nottingham, North) (Lab): A wise man once said that

"there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than a new system. For the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who gain by the new ones."

We need to consider those words of Machiavelli extremely carefully when we are trying to reform this House. Despite the efforts of many colleagues over many years, there are always roadblocks or difficulties, sometimes at a late stage, in trying to move forward and make progress. However, with the help of my hon. Friends on the Front Bench, whichever bit they sit on, I am sure that we can move forward.

To rebuild this House, we will need more than a one-club policy. There has to be something better, particularly if that policy is merely to placate the media with the odd human sacrifice of a Member of Parliament because of expenses or something else. We must have another side—a positive side—to what we are doing in our own reform, and that is to create a Chamber that people can be proud of and an institution that acts as a national forum. Then we will start to recover people's respect for this institution instead of just piling more bodies on to *The Daily Telegraph* bonfire.

We therefore need to support the Prime Minister, since it was he who set up the Wright Committee and wanted it to be a success. I am sure that my hon. Friend the Minister will tell us that the Prime Minister intends to will the ends as well as the means—that he wants to make reform something that is not just rhetorical but real and practical as we come towards the end of this Parliament.

Sir Nicholas Winterton (Macclesfield) (Con) *rose—*

Mr. Allen: I will give way to the hon. Gentleman, but I ask him to be brief because I do not get injury time.

Sir Nicholas Winterton: I commend the hon. Gentleman for what he is doing tonight. Is he aware, however, that when the Modernisation Committee put forward proposals to ensure that Select Committees were truly representative of this House, the Government, and the Whips Office of the Government—the Labour party—sought to defeat its then Chairman, and did defeat him, when his inspirational leadership in trying to modernise this House and make it more democratic had provided such an opportunity, through the work of the Modernisation Committee?

Mr. Allen: I regard the Front-Bench team—certainly on the Government side of the House—and I would say in all parts of the House—as being positive in trying to move this plan forward.

I must take issue with the hon. Gentleman as regards the Whips being this alleged dark force with their own agenda. I can tell him that I was in the Whips Office for five years, and as a Whip, one does not sneeze unless the Prime Minister thinks it appropriate. It is not accurate to say that the Whips have a separate agenda. If they organise informally for some reason, they are doing so at the behest of the Prime Minister, and that will be the test if and when the matter comes before the House—it is not that they have gone off on some sort of maverick effort. Either they have been told by the Prime Minister that he wishes the thing to happen, in which case it will, and they will serve him, or, informally, he does not wish it to happen, and that is when people say, "The Whips are doing their own thing." That is not true in this House.

Martin Salter (Reading, West) (Lab): Yesterday, the Prime Minister said of the Wright Committee recommendations:

"I believe that there will be a warm welcome for some of the proposals in the report."—[*Official Report*, 25 November 2009; Vol. 501, c. 529.]

Does my hon. Friend share my concern that although the election of Select Committee Chairs by the whole House may well get through, the more radical proposals for a Back-Bench business committee could be strangled at birth?

Mr. Allen: My hon. Friend has been one of the most ardent and capable members of the Committee on Reform of the House of Commons, and it is very rare that I disagree with him, but I say to him that the positions that we have all agreed in the report on the election of Select Committees and other things are merely a negotiating base. If we can get some key things in it accepted, I will be absolutely delighted. We must give Front-Bench colleagues who are in favour of them the ammunition to negotiate. No doubt they will make many compromises, but I hope that the House as whole will see the issue move forward, even though some things that my hon. Friend and I want will sadly not go through.

We state at the beginning of the report, and it is repeated later, that the Government must get their business. Wherever one sits in this House, that has to be a truism while we have a unitary system of government in this country. That guarantee is in the report, and if it is not there strongly enough, it needs to be reinforced by Front Benchers, who all aspire to hold power.

The other side of that is that Parliament must get its scrutiny. That is why there is the leverage of people of good will throughout the House to suggest compromises if necessary and negotiate a way forward, and to make into a reality the truism from Gladstone that I have repeated often in this Chamber, that the role of this House is not to run the country but to hold to account those who do. If we can do that, we will all have done a good job here. In very difficult circumstances, we can salvage the heart and the root cause of why we have a Parliament in this country.

Mr. Christopher Chope (Christchurch) (Con): I hope that I can share the hon. Gentleman's optimism, but on the basis of the exchanges earlier with the Leader of the House, does he share my concern that she has not even been able to say categorically that we will have a substantive motion before us on which we can debate these issues, and which we can amend as needs be? That should happen in a short time scale, no later than the end of January.

Mr. Allen: I would certainly welcome an Opposition day initiated by any party so that we can have a proper debate, but I do not just want a debate: I want a clear decision. For instance, I do not care whether some of our proposals in the report on private Members' Bills live or die, but they should be brought to a decision rather than be subject to the procedural wrangling and argy-bargy that wastes everybody's time. Let us be honest about whether we want the changes to go ahead. The House is bad at confronting decisions and often finds ways to avoid doing so, but we certainly should in this case.

A great strength of the point in our report about elected Select Committees is that for the first time, the members of a Select Committee were elected secretly by the individual parties. Its Labour members were properly, privately and secretly elected, as were the Conservative and Liberal members, and special arrangements were made for the minority parties, as they need to be. That precedent did not lead to the collapse of parliamentary civilisation as some people know it, because it was actually one of the best Committees that one could have wished to be on. The rapport, exchanges and interaction led to a really superb report, considering the time that we were given to produce it. I commend it to all hon. Members to read.

We can take into our own hands our suggestion for all Select Committees. Provided that a basic test of democracy put in place by Mr. Speaker is passed, all parties should be able to grow up and elect their Committee members. What a wonderful thing that would be! It would also show that we can have legitimacy in this House, whether we are electing Select Committees or Deputy Speakers or doing anything else. We are capable of looking after our own affairs, behaving reasonably and responsibly and exercising judgment. We do not need a special group of people to do that for us or to select those things for us. That gives the House great strength, and with that strength will come the sense of being able to control our own agenda in tandem with the Government. For those who did not hear me the first time, I repeat that we do not wish to undermine the ability of a Government of any political colour to use the House to pass their legislation.

Our weakness, however, has been exemplified in recent times. Although many hon. Members would like a debate on this issue, or some other issue or motion, it appears that one needs the strength of someone such as Sir Christopher Kelly for that to happen. He took umbrage at the fact that a Bill that he wanted was not in the Queen's Speech and found the next day that an announcement had been made, "Don't worry, Sir Christopher, you'll have a Bill if you really want one." It appears also that Nick Robinson can raise an eyebrow at something and there is an instant response. The best that Members of Parliament can do is to get a debate within two months. That shows the weakness of the House compared with the Government and the media, between whom, as we know, the real politics take place. Some of the modest measures in the report will help to redress the balance, so that the only directly elected element of our constitution—ourselves—can take some responsibility, have a degree of respect and participate in the exercise of proper democracy. That, too, is important.

It is very important not that the party leaders, who came out individually and said that Parliament should be reformed, specify the detail of that reform—I do not expect my hon. Friend the Minister to respond to the detail of the report, having had it for only two days—but that they respond to the concepts, of which they are all philosophically in favour, of improving how the House works. Those party leaders, including my own, need to repeat publicly, so that everyone—whether they are Back-Bench Members or in the Whips Office—is clear that they meant what they said.

A tiny fraction—an insignificant sliver—of people in the House cynically believe that we can spend two months contemplating our navels, have an inconclusive debate followed perhaps by a motion towards the back end of the Parliament, when few people are here, and that, with a free vote, perhaps with thousands of amendments plaguing the Order Paper, the matter will dribble into the sand. I do not share for one moment that cynical view, which a tiny number of colleagues have proposed as a way to conclude this business.

I am sure that we will hear tonight, not least from the Dispatch Box, that once the report has been digested, there will be a clear timetable backed by the three main party leaders, and that we will bring the House to a conclusion—yes or no—on a large number of the sensible and modest recommendations in the report. I hope that that day comes long enough ahead of a general election for it to make a difference and that, after the general election, regardless of who controls this place, another raft of proposals will come forward, so that the House can move into the 21st century and try to recapture some of the public esteem that it has so thoughtlessly frittered away over the past six months.

6.49 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I am pleased to respond to this Adjournment debate secured by my hon. Friend the Member for Nottingham, North (Mr. Allen). It is fair to say that he is one of the strongest advocates of the House reform agenda, and it is appropriate that he secured this debate, although we have also heard from other Members who are strong advocates. As the report of the Select Committee on Reform of the House of Commons was published only two days ago, there is a limit to the detail into which I can go in my response, and I am sure that my hon. Friend understands that. He is nodding.

As my hon. Friend said, on 10 June, the Prime Minister announced in a statement to the House his support for the proposal made by my hon. Friend the Member for Cannock Chase (Dr. Wright) to set up a new committee to consider reform of the procedures of the House of Commons. One of the Committee's terms of reference was to examine the processes for appointing members and Chairmen of Select Committees—the broad subject of our debate tonight.

The House agreed to set up the Committee on 20 July, having first tabled a motion around the start of July. It was unfortunate that it took so long for the Committee to be set up. There were several objections to the original motion, so the Government listened to Members' representations and amended it, and the House was able to debate a motion that had cross-party support. However, I regret that the members and Chair of the Committee found themselves right on top of the recess when they were trying to get it started. There are

some lessons to be learned about communication, and Members objected to the original motion night after night as their way of expressing an opinion. However, we got through that. The Committee reported on Tuesday, and the Prime Minister and the Leader of the House welcomed its report. I will come back to that subject.

The Committee was given four areas to examine: the appointment of members and Chairmen of Select Committees; the appointment of Deputy Speakers; the scheduling of business in the House; and enabling the public to initiate debates and proceedings. The Procedure Committee has reported separately on the principle of electing the Deputy Speakers, so the parliamentary reform Committee did not want to duplicate that work. The Government will respond to the Procedure Committee's report in due course.

Like the parliamentary reform Committee's report, I intend to use the gender-neutral term "Chair" in this debate to denote both the individual chairing a Committee and the office held. My personal view is that, like many of the other recommendations around at the moment, that is a practice that the House should adopt now we are in the 21st century.

This morning my right hon. and learned Friend the Leader of the House thanked my hon. Friend and the Committee for their work on the report. She also said that she looked forward to bringing the matter forward for debate.

The report by the Committee on Reform of the House of Commons highlights three areas for reform, and makes many recommendations. They include reducing the size of departmental Select Committees in some cases, setting up a Back-Bench committee to schedule non-Government business, and informing the public of House business relating to their own petitions. As for quaint procedures, a series of petitions have just been presented, and I would be amazed if the public who felt so strongly about the subject of those petitions understood the way in which we handle them.

On Select Committees, the report highlights several matters and makes many recommendations for reform. They range from reducing the size of departmental Select Committees to extending reforms to the Intelligence and Security Committee and making the process more transparent. It also suggests a review of the system after two years of a new Parliament and a review of the Public Bill Committee system to see whether the selection of membership should be subject to increased accountability.

I shall talk first about Select Committees, the main subject of our debate. Select Committees have existed for centuries. In their earlier form, they advised, deliberated and reported. However, they were usually set up on an ad hoc basis to discuss the latest sensitive political issues, and they met informally. Throughout their existence the Select Committee system has evolved, and we should ensure that we enable them to continue evolving. That ties in with the Committee's work.

Thirty years ago, the House of Commons established the departmental Select Committee system to scrutinise Departments. For many years it had been recommended that Select Committee Chairs should be paid, but that was not agreed by the House until 2003.

Steps have been taken over the years to reform and strengthen the system, and the Committee's report notes those changes. Reforms have included: the creation of core objectives for Select Committees; the Liaison Committee publishing an annual report on the work of Select Committees, to which the Government respond, and the Prime Minister giving evidence to the Liaison Committee once a year. [Hon. Members: "Twice."] I misread—I meant twice a year.

The parliamentary reform Committee's report states:

> "The Select Committees are widely respected and seen as generally functioning well. They have won more resources in recent years. Their work on pre-legislative and post-legislative scrutiny, examination of expenditure and pre-appointment hearings is gaining ground."

It continues:

> "There is a strong desire to strengthen yet further these forums for cross-party work and Government scrutiny and indeed extend the way they work to other parts of parliamentary life."

The report expresses concern about the current method of selecting Committee members and Chairs. It also details the powers of Committees, and their need for access to the agenda of the Chamber, as further areas of concern.

The Liaison Committee's report, "The Work of the Committees in 2007-08" agreed that Select Committees played an important role, and said that they were

> "a central part of Parliament's vital scrutiny role."

Select Committee inquiries are often topical and are increasingly becoming newsworthy. The current inquiry into "Press standards, privacy and libel" by the Culture, Media and Sport Select Committee, and the Transport Committee's inquiry into "Priorities for investment in the railways" are just a couple of examples.

This morning I was asked in business questions about giving more time to debate Select Committee reports. Although time is provided to debate Select Committee reports in Westminster Hall, I suggested that topical debate requests could also be made to give more time to debate them.

Let me briefly touch on other areas raised in tonight's Adjournment debate—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that the Minister will do so briefly, as the subject of the debate is clearly the election of Members to Select Committees. Although the hon. Member for Nottingham, North (Mr. Allen) ranged a little widely, we cannot have a full-scale debate on the Wright Committee report. This debate would not be the appropriate vessel for that.

Barbara Keeley *rose—*

Mr. Allen: If the Minister will allow me, I would include the election of members of the proposed business committee within the subject of electing members of Select Committees generally, given that it has been proposed as one of the Committees of the House. I hope that that will allow my hon. Friend to say a little something about the business committee and how it will be composed.

Barbara Keeley: Thank you. I will certainly bear your words in mind, Mr. Deputy Speaker. A number of suggestions have been made over a long period—dating back, I think, even to Lord Tyler, the then Liberal Democrat spokesman—about business committees and

[Barbara Keeley]

how their members might be selected and then go forward. My hon. Friend touched earlier on two particular recommendations about the people serving on such committees. One recommendation is to timetable Government business, and the other is to schedule non-Government business, including topical and general debates. As to who might want to sit on such committees and who might want to be nominated for them, it has been suggested that Back Benchers from all parties should be allowed to exercise their influence on the question of what important subjects should be brought before the House for debate.

The latest proposals are part of a thorough and wide-ranging set of conclusions, but I am sure that my hon. Friend will not be surprised to hear me say that they need to be considered in detail, along with other recommendations in the report and other recent reports, of which a number have recommended various reforms.

My hon. Friend talked about public engagement—although this subject may be rather beyond the scope of our debate. As I mentioned earlier, whenever we are talking about a subject—whether that be Select Committees or anything else that we discuss—I would like us to do so in language less strange to the public than our language frequently is.

Sir Nicholas Winterton: Will the Deputy Leader of the House go a little further, specifically in relation to the appointment of Select Committees in the next Parliament? Is it not critical for members to be properly independently elected rather than being put forward by the Whips? I greatly admired the late Robin Cook, who was inspirational and focused. He knew how to return democracy to this House, but he was denied that opportunity when the Modernisation Committee's proposals were defeated by a majority of Government Members voting against them.

Barbara Keeley: That brings me back to a point I made earlier. There are some issues that need careful consideration if we are to achieve the change suggested by the report. For instance, we need to think about what will happen when we have a substantial turnover of Members and a lot of new Members come in, which is certainly going to happen, because so many Members are not standing for re-election. In a recent debate about the nomination of members to the Independent Parliamentary Standards Authority, the hon. Member for Broxbourne (Mr. Walker) made a strong appeal, saying that he had wanted to be considered for various Committees, but that as a Member from the 2005 intake, he had found it impossible to get nominated.

Things will be difficult when the people making the decisions are themselves new, and we need to take account of that. If we changed the system, it would not be right or appropriate for new Members of the House to have to wait a long time before anyone knew them well enough to nominate them. The hon. Member for Broxbourne made that point to those on his own Front Bench, and I hope that they were listening to him.

Martin Salter: Does the Minister appreciate that she has set off alarm bells in my head with the concept that votes are not of equal value on the Floor of the House? If new Members after the next general election have to vote on the Speakership, and on legislation every day of the week, does she not agree that that goes with the territory? Do elections not ask people to exercise judgment? For goodness' sake, is that not why we are sent here?

Barbara Keeley: Indeed. Members are talking to someone who, when she was a new Member and wanted to be on the Health Committee, was told that there was a six-year queue.

Mr. Allen: My hon. Friend touched on the question of public participation in such matters. The election of Members of the House to their own Committees would strengthen and rebuild the House. If we do not that, the House is in danger of being bypassed, which is not the intention behind e-petitioning, mass referendums and so on. If we are not fit for purpose—I hold that we are not fit for purpose currently—and if we appear reluctant to change in order to be so, the public will find means of expression other than through their elected representatives. The danger would be that e-petitioning might become mass policy making at the discretion of leading political commentators—the Simon Cowells or Rupert Murdochs of the political world. Rebuilding our internal election system so that it is trustworthy is very important. E-petitioning can then become a useful addition.

Barbara Keeley: I thank—

Sir Patrick Cormack (South Staffordshire) (Con): Will the hon. Lady give way?

Barbara Keeley: I am short of time, and must bring my remarks to a conclusion.

I want to quote some statements that have already made. In her statement to coincide with the publication of the report, the Leader of the House said:

> "The Government is grateful to the Committee and its Chair...for producing a thorough and wide-ranging piece of work and welcomes the report."

She went on to say:

> "We are grateful for the proposals to enable such reforms and will look to make early progress whilst needing to allow Government to continue to deliver its legislative programme and deal with emerging challenges. The Government will make time available for a debate."

Some of the Prime Minister's comments yesterday have been quoted already, but he too warmly welcomed the report:

> "It is right for us to consider how our Select Committee system can be reformed so that it is better in the future. It is also right for us to consider how non-Government business is dealt with, and how we can improve the workings of the House."—[*Official Report*, 25 November 2009; Vol. 501, c. 529.]

That is very much the subject of tonight's debate.

To conclude, the recommendations in the Committee's report are respected by the Government for their complexity and reach, and we will give them detailed and thorough consideration. As most Members would realise, however, that consideration cannot take place entirely in the first two days after publication of the report. The Leader of the House wrote to the Chairman of the Committee on the day the report was published to inform him that the Government intend to make time for a debate on this important matter. That will enable right hon. and hon.

Members who have not taken part in the Committee's deliberations to offer their views on the report. Those opinions are also valuable to our consideration.

I again congratulate my hon. Friend on securing the debate and on his work on the Committee. I thank him for his positive comments about the Whips—I am sure that that is echoed on the Front Bench. Given that I was his Whip until this June, I hope that it was not too bad—

Mr. Allen: Very good experience.

Barbara Keeley: An experience, yes. There is much to discuss in the future, but we have made a good start this evening.

Question put and agreed to.

7.4 pm

House adjourned.

House of Commons

Monday 30 November 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CHILDREN, SCHOOLS AND FAMILIES

The Secretary of State was asked—

All-through Schools

1. **John Mann** (Bassetlaw) (Lab): What plans his Department has for the development of schools for three to 18-year-olds. [302046]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): The decision to create so-called all-through schools is one for local authorities to take. There are currently 25 such schools, with a further four planned. A majority of them cater for pupils aged three to 18 and they include academies as well as those maintained by local authorities. We are currently examining the benefits of and challenges faced by all-through schools, with the aim of sharing good practice.

John Mann: I thank the Minister for that answer, and I know that the ministerial team will be keen to visit Serlby Park three-to-18 school, as it has recently knocked back a Tory council attempt to close it down. Is he prepared to consider whether his Department could assist with some specialist advice on how it can free itself from local authority control by becoming an academy?

Mr. Wright: I congratulate my hon. Friend, who is one of the best campaigners in the business, and certainly in this House, on his campaign to save Serlby Park school. I understand that on 19 November he presented a community award to Brett Lindsay, a sixth-former who campaigned to save the school. My hon. Friend the Minister for Schools and Learners, a near parliamentary neighbour of his, is very keen to visit Serlby Park and offer the special advice that my hon. Friend requires.

Michael Gove (Surrey Heath) (Con): The Secretary of State has stressed today that in any school environment, children from the age of three up and young people should be protected from racist views such as those of the organisation Hizb ut-Tahrir, which he rightly describes as abhorrent and which is banned in Germany. However, the schools and nurseries of the Islamic Shakhsiya Foundation have received taxpayers' money, even though the proprietor, Yusra Hamilton, was a Hizb ut-Tahrir activist, and she is married to its media representative, Taji Mustafa. The head teacher of one of the schools, Farah Ahmed, who has described her past activism with Hizb ut-Tahrir as irrelevant, has designed a curriculum that defines the ruling system of Islam as a khilafah or caliphate, in precise accord with Hizb ut-Tahrir ideology. What guarantees does the Minister have that those schools are absolutely not a front for, or linked in any way with, Hizb ut-Tahrir?

Mr. Wright: I think the hon. Gentleman and the whole House would agree that racism cannot be justified in any shape or form, in schools or indeed anywhere. His right hon. Friend the Leader of the Opposition had a go at my right hon. Friend the Prime Minister about this on Wednesday and got it hopelessly incorrect, and he has had another attempt today. Might I suggest to him that he set out his views and concerns in writing so that my right hon. Friend the Secretary of State will be able to respond to him in full?

Michael Gove: I am very grateful to the Minister for that very fair reply. I wrote to the Secretary of State last Wednesday, and I am still waiting for a reply to that letter; I look forward to receiving it in due course. After it was written, the BBC reported that the headmistress of the Slough school, Farah Ahmed, had described democracy as a "corrupt tradition", the national curriculum as a tool of "systemic indoctrination" and western education as a threat to "our beliefs and values". Will the Minister and the Secretary of State investigate those views, that head teacher and the foundation following that revelation by the BBC?

Mr. Wright: I will certainly ensure that those claims and allegations made by the hon. Gentleman at the Dispatch Box and by the BBC last week are investigated. I reiterate what I said a moment or two ago—my right hon. Friend the Secretary of State will respond in full to the concerns that have been raised.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend accept that through-schools are an interesting pilot? One in my constituency, Netherhall campus, which since last Thursday has been assured that it will encapsulate a studio school, will be a very important experiment. Will he ensure that it is an experiment in which we can play with the national curriculum to make it a through curriculum, without great disjunctions at seven, 11 and so on?

Mr. Wright: My hon. Friend makes a very important point. The Department does not dictate or impose any particular type of school system, such as a two or three-tier system or all-through schools. It is for the local authority to determine what is necessary, based on the local priorities of the area. The minimal disruption that can be caused in all-through schools is certainly a good thing for local authorities to consider. There are only 25 of them, as I said in my original answer, and it is too early to decide whether they can be rolled out across the country, but they certainly have some benefits and challenges and are something that we are considering.

Haywood Engineering Specialist College

2. **Joan Walley** (Stoke-on-Trent, North) (Lab): What recent representations in respect of equal pay for staff he has received from Haywood engineering specialist college. [302047]

The Minister for Schools and Learners (Mr. Vernon Coaker): This year we have received two letters from Haywood engineering specialist college on this matter and a further two letters from my hon. Friend herself. In addition, I have met her to discuss this matter. As I stated in my last letter to her, I am hopeful that it will be concluded in a positive way. The Stoke-on-Trent schools forum supports the position of the school, but a conclusion cannot be reached until the new chief executive takes up his post in the new year.

Joan Walley: I thank my hon. Friend for all the help that he has given us to get Building Schools for the Future funding in Stoke-on-Trent. In respect particularly of the Haywood high school specialist college, will he ensure that Stoke-on-Trent city council provides the resources needed to meet the equal pay claims from support staff, on the basis that the college adopted foundation status notwithstanding Government guidance that, in respect of such claims, foundation schools are to be treated

"on a comparable basis to staff in community schools"?

This has gone on far too long. Will he do everything he can to ensure that Stoke-on-Trent council attends to the matter?

Mr. Coaker: I congratulate my hon. Friend, who has worked tirelessly on the problem affecting Haywood engineering specialist college. I know that it is a source of great concern to her. I reassure her that I intend to come to Stoke in the near future to see her in her constituency, and meet her and my hon. Friends in the rest of the area to talk about several issues. By that time, I hope that the problem, which has gone on for far too long, will be resolved to the satisfaction of the staff at the school. I hope that when the new chief executive comes along, the progress that we all want will be made. I hope that all schools in Stoke benefit from BSF investment.

Free School Meals

3. **Andrew Selous** (South-West Bedfordshire) (Con): What his most recent assessment is of the educational achievement of pupils eligible to receive free school meals. [302048]

The Secretary of State for Children, Schools and Families (Ed Balls): May I make it clear that I replied to the letter from the hon. Member for Surrey Heath (Michael Gove) this morning? I am only disappointed that he did not ask me those questions because I could have given him detailed answers.

In the past decade, primary and secondary schools that serve the most deprived intakes have achieved the largest increase in key stage 2 and GCSE results. In schools with more than 50 per cent. of pupils eligible for free school meals, the proportion of pupils achieving five good GCSEs, including English and maths, has increased from 24 per cent. in 2005 to 33 per cent. in 2008—double the rate of increase in the least deprived schools.

Andrew Selous: Is it not unacceptable that under half of white British boys eligible for free school meals achieve the expected standards in English and maths at the end of their primary school stage? Does the Secretary of State agree that part of the answer is more new academies, such as the excellent All Saints academy in Dunstable in my constituency?

Ed Balls: Since I became Secretary of State, I have approved 136 new academies, precisely because they show that they can raise standards, including for white boys, in the most disadvantaged areas. Of course, it is disappointing that we have not seen faster progress for white boys, but, as I said, the exam results for pupils from the most deprived backgrounds have increased faster in the past 10 years. That is true for primary and secondary schools and for English and maths. We are narrowing the gaps through investing in good schools, good teachers and the one-to-one tuition that is needed for pupils to make progress.

David Taylor (North-West Leicestershire) (Lab/Co-op): The facts that the Secretary of State has given the House are interesting, but does he agree that the concept of free school meal status being an adequate measure of social or economic disadvantage has outlived its usefulness? There are better measures and we should start to pursue some improved statistic.

Ed Balls: My hon. Friend makes an important and interesting point, which I would be happy to debate with him and the Minister for Schools and Learners in due course. However, the question was about the progress that free school meal pupils had achieved in the past decade, and the answer is that they have made progress faster than the average pupil—and much faster than in the previous decade. The picture is therefore good and improving, but we need to do more to narrow those gaps.

Mr. David Laws (Yeovil) (LD): The report on social mobility by the Secretary of State's old friend the right hon. Member for Darlington (Mr. Milburn) earlier this year proposed a Liberal Democrat policy to improve the targeting of young people with educational disadvantages—the pupil premium. When will the Government formally respond to the right hon. Gentleman's report and when will they get on with introducing a pupil premium?

Ed Balls: We have already responded by setting out the way in which we will enhance information, advice and guidance. As the hon. Gentleman knows, a review of the pupil premium is going on at the moment. To be honest, as we have debated previously, a pupil premium could accompany an increase or a reduction in the amount of money that goes to the most disadvantaged. That would depend on whether the budgets were increasing or decreasing, but if we genuinely want to make progress, we have to guarantee that any pupil in years 3, 4, 5, 6 and 7 who falls behind will get one-to-one, catch-up tuition to get them back on track. That is in our pupil guarantee and our legislation. Rather than criticising and refusing to back our guarantees, the hon. Gentleman should match and support them. In that way, we can make more progress on closing the gap to which he refers.

Mr. Tom Watson (West Bromwich, East) (Lab): On free school meals as in so many other areas of policy, is it not right that Members of Parliament should set an

example to young people by doing their homework before making inaccurate and sensational claims at the Dispatch Box?

Ed Balls: We all know what my hon. Friend is alluding to, and I will not go over that past territory other than to agree that getting homework right is very important.

May I correct the record again for the House on an error made by my Department at the end of last year? In a parliamentary answer, we made an error when we said that the most disadvantaged pupils had seen their results go up by 13 per cent. over the last 10 years. In fact, the correct figure was 33 per cent. Our statisticians corrected that, we corrected the parliamentary answer and the Minister for Schools and Learning has written twice to correct it, but the shadow Secretary of State repeats that wrong statistic again and again—

Mr. Speaker: Order. The Secretary of State has made his position clear and I want to make progress on the Order Paper.

Michael Gove (Surrey Heath) (Con): I am very grateful to the Secretary of State for correcting his Department's mistake. I am also grateful to him for writing to me; I have not yet received that letter and I would be grateful for any clarification that he can give at the Dispatch Box.

The Sutton Trust has expressed its deep concern about the continuing under-achievement of children eligible for free school meals. It says that far from acting as a great leveller, the current education system is perpetuating inequalities. Nearly 40 per cent. of pupils eligible for free school meals do not even get a single grade C at GCSE. The 16-year-olds who left school this year had their entire education under Labour. Sir Terry Leahy has expressed his concern that standards are still woefully low and Sir Stuart Rose has said that school leavers cannot do reading, cannot do arithmetic and cannot do writing. Are Sir Terry and Sir Stuart wrong?

Ed Balls: I am very concerned that the hon. Gentleman continues on his path of undermining the progress being made by pupils and teachers all over the country. As I said, 33 per cent. of children in schools with more than 50 per cent. entitled to free school meals are getting five good GCSEs with English and maths. The Minister for Schools and Learning has twice written to the hon. Gentleman—in January and again this autumn—but in his speech in November the hon. Gentleman repeated the wrong figure, even though he knows that it is wrong. Undermining confidence by peddling false statistics is the wrong thing to do: it is the hon. Gentleman's credibility that is now in doubt on this matter.

Sure Start Centres

4. **Tony Lloyd** (Manchester, Central) (Lab): What methods he uses to assess the effectiveness of individual Sure Start centres. [302050]

The Minister for Children, Young People and Families (Dawn Primarolo): Local authorities are responsible for managing the performance of their Sure Start children's centres. Most use a framework devised by my Department in 2007. The Department does not currently receive information on individual centres, but from 2010 Ofsted will have a duty to inspect individual centres and report to the local authority.

Tony Lloyd: Does my right hon. Friend agree that the real increases in educational attainment by children from disadvantaged backgrounds owe a lot to the Sure Start centres and what they have done for young people, especially in inner-city areas and the equivalent? Who in their right mind would want to get rid of those centres?

Dawn Primarolo: My hon. Friend is right. The national evaluation of 2008 identifies a Sure Start effect: parents have more positive parenting skills, better home learning environments exist and we can see the development of children. The Leader of the Opposition has said that he supports Sure Start, but he has also identified cuts of more than £200 million to its budget. That would hit the very poorest in our community.

Mrs. Maria Miller (Basingstoke) (Con): The Minister knows that we fully support Sure Start, especially its role in helping children who have the toughest start in life to have better early years education. Can she explain why she takes so little notice of Ofsted's figures, which show that after years of Sure Start children in the most deprived communities are twice as likely to attend a failing nursery as children in the richest areas, and that this situation is getting worse?

Dawn Primarolo: The hon. Lady will know that wishing support for Sure Start without committing resources to, and investment in, children's centres will never help to tackle the under-achievement that still exists in some parts of the country. She needs to come to the Dispatch Box now and commit her party to match all the spending to which the Government are committed, rather than cutting £200 million from Sure Start. Only then would we see the improvements that she allegedly wants in the performance of the very poorest in our community.

Children's Centres (Ealing, Southall)

5. **Mr. Virendra Sharma** (Ealing, Southall) (Lab): How many children's centres there are in the Ealing, Southall constituency. [302051]

The Minister for Children, Young People and Families (Dawn Primarolo): Ealing local authority has a total of 22 designated Sure Start children's centres, offering services to more than 15,600 under-fives and their families. Of those, 10 are based in the Ealing, Southall constituency.

Mr. Sharma: In the light of the fantastic work done by those children's centres in my constituency, supporting some of the most vulnerable children and families, does the Minister agree that it would be disastrous if funding cuts closed two of them, as proposed by the Opposition?

Dawn Primarolo: Children's centres offer a full range of services, whether it be integrated early learning and care for children, the support given to families through the health service, the employment and training advice given to parents or the support that is particularly important for fathers. As my hon. Friend says, for his community, if one in five children's centres were closed,

it would devastate the performance and ability of children. That is the policy of the Opposition, and we need to push them on that to deny it.

ContactPoint Database

6. **Tom Brake** (Carshalton and Wallington) (LD): What progress has been made on the roll-out of the ContactPoint database; and if he will make a statement. [302052]

The Minister of State, Department for Children, Schools and Families (Kevin Brennan): Excellent recent progress has been made on ContactPoint. On 6 November, we announced that ContactPoint was beginning to be rolled out nationally to local authorities and front-line practitioners. We also published a report on the initial phase of the ContactPoint roll-out entitled "Lessons Learned from the Early Adopter Phase", which shows how ContactPoint is already making a positive difference daily to the practitioners who use it.

Tom Brake: Can the Minister explain why it is considered necessary to shield just some of the children's records on the ContactPoint database, when all children on the database could be at risk from some of the 400,000 people who can access it?

Kevin Brennan: There will be no special treatment for particular groups. Any decisions based on shielding would be based on decisions about the welfare of the individual child. I am sure the hon. Gentleman would agree that that is absolutely the right basis on which to take any such decisions.

Tim Loughton (East Worthing and Shoreham) (Con): If ContactPoint is going to make such a significant contribution to child protection, can the Minister say why the Government think it necessary that parents attending their children's school carol concert should be officially vetted, that parents who teach their children at home must undergo criminal record checks and that even teenagers taking part in the Government's compulsory community service scheme will face criminal checks? Is this not just getting barmy?

Kevin Brennan: Everything that the hon. Gentleman has just said is absolute rubbish. It constitutes the usual scaremongering and hyperbole from the Opposition, in an attempt to get headlines in the tabloid press, and it is not true. If he had bothered to ask a question about ContactPoint, I could have reminded him that it has the support of our national partners—including the National Society for the Prevention of Cruelty to Children, Barnardo's, Action for Children, Kids, the Child Exploitation and Online Protection Centre, the Children and Family Court Advisory and Support Service, and the Children's Society—and he ought to be supporting it.

Cyberbullying

7. **John Robertson** (Glasgow, North-West) (Lab): What steps he has considered to assist teachers and parents to reduce the incidence of cyberbullying of children; and if he will make a statement. [302053]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): The Department has given legal powers to schools staff to regulate the conduct of pupils inside and outside school premises, including by dealing with bullying on school buses or addressing cyberbullying that originates at home. In addition, DCSF has provided schools with guidance on how to prevent and tackle cyberbullying and provided parents with advice, through our sponsored Parentline Plus service, on how to spot all forms of bullying and the steps to take to stop it.

John Robertson: I thank my hon. Friend for her answer. I also congratulate her on the work done so far, but there is so much more that needs to be done. Cyberbullying is on the up. Schools have to be vigilant at all times, as do parents. However, a lot of my constituents feel that parents do not get enough advice to understand exactly what cyberbullying is.

Ms Johnson: My hon. Friend has raised the issue before and takes a keen interest in it. The Government are committed to ensuring that parents are as fully informed as possible about cyberbullying—and, of course, about all forms of bullying—and what they can do to stop it. Let me refer my hon. Friend to the national anti-bullying week, which took place in November. Thirty-thousand young people signed up to the "Laugh at it, and you're part of it" campaign, which was designed to draw attention to cyberbullying.

Mark Pritchard (The Wrekin) (Con): The Minister will know that each school has an acceptable use policy, and one way to help teachers might be to extend those powers beyond the boundaries of the playground. Will the Minister look at this issue and see whether cyberbullies could be dealt with when they return from home to school if there has been cyberbullying between two pupils at the same school?

Ms Johnson: Schools, and head teachers in particular, already have a duty to deal with bullying, and schools have the power to deal with bullying, including cyberbullying, that takes place elsewhere—not just on the school premises.

Andrew Miller (Ellesmere Port and Neston) (Lab): May I tell my hon. Friend about the good work being done by Childnet in partnership with organisations as far away as Net-Aman in Egypt in bringing children together to discuss among themselves how to create better working practices for children and more children-focused systems on the net? This is the right way to proceed—to engage children in the decision-making process.

Ms Johnson: I know my hon. Friend has a great deal of experience in this area of information technology. I absolutely agree, and the Government are committed to ensuring that children and young people know and fully understand what they are doing when they go on the internet and how to protect themselves.

National Curriculum

8. **Mr. Desmond Swayne** (New Forest, West) (Con): What plans he has for the future of national curriculum testing; and if he will make a statement. [302054]

The Secretary of State for Children, Schools and Families (Ed Balls): Following the report of the expert group on assessment on the future of national curriculum tests, which advised that objective tests at the end of key stage 2 were educationally beneficial and vital for public accountability, I have recently approved the Qualifications and Curriculum Development Agency's award of the main contract for delivering the 2010 tests to Edexcel.

Mr. Swayne: The National Association of Head Teachers says that the results—up to a quarter of them—are inaccurate to the extent of being one whole level out. If that is incorrect, will the Secretary of State tell us how he knows it is incorrect?

Ed Balls: As the hon. Gentleman may or may not know, we have established an independent regulator, Ofqual, which oversees and regulates the marking process and also deals with the appeals process. Because of the difficulties of the tests, there were more appeals than in the year before last and last year, but there is no evidence that the quality of the marking has deteriorated. I would be happy to set out more detail for the hon. Gentleman if he would like.

Fiona Mactaggart (Slough) (Lab): I have the impression that the reason why Slough's key stage 2 results this year were not as good as they were in other parts of the education system is that we are still a small town that has the 11-plus. Will the Secretary of State please look at areas that retain the 11-plus and see whether the results at key stage 2 are different from those that would normally be expected?

Ed Balls: I would be happy to look at that for my hon. Friend. As she will know, the issue of selection is a matter for local authorities to decide, although Labour Members are clear that we do not want to see an increase in the number of grammar schools—a pledge that Conservative Members continually refuse to make. We have looked at the selective authorities of Gloucestershire and Kent to see whether there are particular issues to do with the interaction of selection and the national challenge programme, but on the issue of key stage 2 tests, we need to look more carefully at the details. I cannot give my hon. Friend an answer today, but I can definitely tell her that we will not be having any more grammar schools.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): The Secretary of State will be aware that a third of those who fail to achieve the expected level in the three R's in the key stage 2 tests are children who qualify for free school meals. Does he therefore support a policy of replacing the key stage 1 standard assessment test with a simple screening test at the end of the second year of primary school to ensure that every child knows how to sound out words and is able to read a list of basic words? Is that not the best way of closing the achievement gap between the haves and the have-nots in our schools and in our society?

Ed Balls: That question goes to the heart of the debate—and to the heart of the confusion among the Opposition—on education policy. The fact is that there are 100,000 more young people now making the grade at age 11 compared with 10 years ago, but it is not possible consistently to say that every child should do a test in key stage 1 and learn phonics while at the same time having it as a policy that all schools should opt out of the national curriculum by becoming primary school academies. The hon. Gentleman's desire for phonics teaching is completely undermined by the policy of his hon. Friend the Member for Surrey Heath (Michael Gove) to abolish the requirement for phonics in the national curriculum. That would be the wrong thing to do—

Mr. Speaker: Order. I have been very generous to the Secretary of State today in allowing him to develop his arguments, but he will know that he must focus his answers on the policy of the Government rather than that of the Opposition.

Ed Balls *rose—*

Mr. Speaker: No, the right hon. Gentleman has already done extremely well.

Educational Psychologists

9. **Rob Marris** (Wolverhampton, South-West) (Lab): What is his Department's policy on the use of educational psychologists in schools. [303059]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): Educational psychologists have a statutory function in respect of assessments required for statements for children with special educational needs. However, the Department believes that they can play a much wider role in helping schools with early intervention, identifying needs early, and helping to advise on appropriate support. More broadly, they can help to train school staff in particular subjects to enhance their skills and knowledge in respect of SEN. We continue to value and support the important work that they do.

Rob Marris: My hon. Friend will be aware that this year local authorities' voluntary contributions have raised only about half the funds required for the training of educational psychologists, and the picture is likely to be even worse next year. In the context of the statutory functions to which my hon. Friend has referred, will she look again at the possibility of direct Government funding for the training of educational psychologists, so that they need not continue to rely on voluntary contributions which are not forthcoming?

Ms Johnson: I wrote to all local authorities on 16 November, after the meeting that we held with the Association of Educational Psychologists, urging them to contribute to the funding. It is also worth mentioning that the Children's Workforce Development Council is developing a long-term and sustainable employer-led funding and training scheme. I shall meet the new general secretary of the Association of Educational Psychologists, Kate Fallon, very shortly to discuss the matter again.

Annette Brooke (Mid-Dorset and North Poole) (LD): Concerns are still being raised about the impact of the new qualifications route and its funding. Is the Minister continuing to monitor not only the current position but

the future supply of educational psychologists, particularly in the light of the role that they must play in regard to early identification and early intervention?

Ms Johnson: I am continuing to monitor that very carefully. As I have said, we had a meeting in October, and I wrote to local authorities earlier this month. I plan to have another meeting in December to discuss the position. Further research is being conducted on work force planning for educational psychologists in the years ahead.

Mr. Lindsay Hoyle (Chorley) (Lab): Schools have waiting lists of pupils wishing to see child psychologists. Meanwhile, education authorities are cutting the number of psychologists to save money. How can the Minister ensure that the number does not continue to be reduced at a time when we should be trying to increase it in each education authority?

Ms Johnson: If Members wish to cite individual authorities that are experiencing that problem, I shall be happy to look into it further. We need to engage in long-term work force planning, but I should stress that educational psychologists are the employees of local authorities, and that local authorities are responsible for ensuring that their number is sufficient.

School Playing Fields

10. **Bob Spink** (Castle Point) (Ind): How many school playing fields have been sold for development in the last five years. [30205]

The Minister for Schools and Learners (Mr. Vernon Coaker): In the last five years, 51 applications involving the sale of school playing fields have been approved.

Bob Spink: School playing fields at Castle View on Canvey Island, Scrub Lane in Hadleigh and Jotmans in Benfleet in my constituency have recently been given up for development in one form or another. What on earth is going on in Essex county council education authority? Will the Government step in to enforce their excellent policy of protecting our school playing fields, which are so valuable?

Mr. Coaker: I do not know what is going on in Essex county council, but I should be happy to meet the hon. Gentleman to discuss it and see what we can do together.

The hon. Gentleman has raised an important point about safeguarding school playing fields. He will know that in 1998 we changed the law to ensure that any sale of school playing fields had to be submitted to the Secretary of State for his agreement. Very few such applications have been made, because the criterion is very tight. The hon. Gentleman will also know that before 1998 considerably more school playing fields were sold, and that the receipts from the sale of any playing field—whether by an open school or a closed school—must be put back into either education or education-related leisure facilities.

Safeguarding Children (Ofsted Inspections)

12. **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What recent representations he has received on the effects on schools of Ofsted's role in inspecting the safeguarding of children. [30205]

The Minister for Children, Young People and Families (Dawn Primarolo): Safeguarding is not a new aspect of school inspection, but it has been given increased focus in the new inspection framework. Ofsted has issued detailed guidance on how safeguarding should be assessed during its school inspections.

Dr. Harris: I am grateful to the Minister for her answer. Does she agree that what is important is safeguarding children, not sticking to rigid rules, and that if, for example, Ofsted finds that there is a problem with the single central record but that is put right, afterwards there is no need for the school in question to be judged inadequate in that regard, because that undermines the morale of the whole school for no good reason?

Dawn Primarolo: As the hon. Gentleman knows, schools are not marked down solely on account of minor administrative issues; Ofsted has assured us that that is the case. The hon. Gentleman raises the issue of a failure being identified during an inspection that is corrected subsequently. If it is corrected before the inspection is completed, that can be added to the assessment, but as he knows, the inspection is a snapshot and there is a gap between its taking place and the publication of the findings, so in some circumstances even though schools may have corrected matters, that snapshot cannot be changed. If the hon. Gentleman is worried about a particular issue, I will be more than happy either to speak to him about it, or to receive details in writing and look into it further.

Muslim Girls Boarding Schools

13. **Mr. Gordon Prentice** (Pendle) (Lab): How many Muslim girls boarding schools there are with more than 4,000 pupils in England. [30205]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): To date, there are no Muslim girls boarding schools with more than 4,000 pupils established in England.

Mr. Prentice: My friend will know that there is a proposal on the drawing board for a huge 5,000-place independent boarding school for Muslim girls in my Pendle constituency. Does she believe, as I do, that the existence of very large, single-faith, single-gender schools can work against community cohesion, and that we should tread very carefully indeed?

Ms Johnson: My hon. Friend may be interested to know that the largest independent boys' boarding school at present is Eton, with 1,311 pupils, and the largest girls' boarding school is Cheltenham Ladies' College, with 640 pupils. The figure of 5,000 for the number of pupils at a boarding school would, therefore, be unprecedented, and we would obviously have to give very careful consideration to a proposal for a school of that size.

Academic Standards (Primary Schools)

14. **Ann Winterton** (Congleton) (Con): What steps he plans to take to raise academic standards in primary schools. [30206]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): Significant improvements have been made in primary school standards over the past 12 years, and this year's results are 17 per cent. higher than those of 1997. However, we recognise that there is still more to do to ensure that all children receive a world-class education. Our recent White Paper signalled a new approach to primary school improvement, which will include a comprehensive package of support for schools. We will be announcing detailed plans on that later in the week.

Ann Winterton: In seeking to raise primary school standards further, will the Minister look specifically at the teaching of British history, beginning right at the beginning of the curriculum and going through to secondary education, because nothing dismays me more than discovering while taking school parties around the Palace of Westminster that great chunks of British life and history are not known by them. Will the Minister take a serious look at this matter?

Ms Johnson: The hon. Lady will be reassured to know that British history is in the primary curriculum. We have just gone through a major consultation on the Rose proposals in respect of changes to the primary curriculum and we will bring forward legislation on that shortly.

Mr. Brian Jenkins (Tamworth) (Lab): While improvements in academic standards are, of course, always welcome, like the rest of us my hon. Friend realises that catchment area plays a crucial role in respect of what young people can achieve. When are we going to start putting more emphasis on the added value that schools bring to young people?

Ms Johnson: Of course we must recognise that added value is very important, but we should celebrate the fact that our young people are leaving primary school better able to read, write and do their sums. Whereas in 1997 only 43 per cent. of our children could read, write and do their maths, the figure is now 61 per cent., and that is very good. Obviously, we need to improve further, but we have made vast improvements in the past 12 years.

Military History

15. **Mr. Gerald Howarth** (Aldershot) (Con): If he will encourage the teaching of Britain's military history in schools. [302061]

The Minister for Schools and Learners (Mr. Vernon Coaker): History is compulsory in schools up to the end of key stage 3. The national curriculum for history requires pupils to be taught a substantial amount of British history; it covers the mediaeval, early modern, industrial and 20th century periods, and that includes studying the causes and consequences of various conflicts, including the two world wars, the Holocaust and other genocides.

Mr. Howarth: As we welcome 19 Light Brigade, representing the prowess of our military at this time, back from Afghanistan to the Palace of Westminster today, may I invite the Minister to be even more robust in ensuring that our young people are reminded of Britain's glorious military past and of our great battles such as Agincourt, Trafalgar and the battle of Britain? Will he ensure that these traditional subjects are on the agenda, rather than the sort of woolly stuff that Mrs. McCabe, that splendid headmistress, has been suggesting the Government are threatening our children with?

Mr. Coaker: I know that the hon. Gentleman spends considerable time raising these issues on a number of occasions, not only because of the passion that he feels about the subject, but because of his constituency interest. Given what is happening at the moment, it is obviously important that we reflect on what is taught in our schools to ensure that our young people grow up with the values that we want for them. He will know, because he will have looked into this, that, as the Under-Secretary of State, my hon. Friend the Member for Kingston upon Hull, North (Ms Johnson), has just said, British history is a part, and will form a part, of the primary school curriculum. If he were to read the content for the key stage 3 curriculum, he would see that many of the things that he has just mentioned are part of it—I am sure that he would welcome that.

School Refurbishment (Plymouth)

16. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What plans his Department has for the rebuilding and refurbishment of secondary schools in Plymouth. [302062]

The Minister for Schools and Learners (Mr. Vernon Coaker): I am pleased to inform the House that Plymouth is one of 12 projects that will be joining the Building Schools for the Future programme today. It is for Plymouth to determine the pattern of school builds in consultation with the Department, Partnerships for Schools and the local community.

Linda Gilroy: I warmly welcome the go-ahead that has been given to £78 million of investment in our schools. Could my hon. Friend tell me what impact he hopes it will have on raising standards at schools such as Stoke Damerel community college, which he visited recently, and Lipson community college, which the Secretary of State has visited within the past year?

Mr. Coaker: First, I congratulate my hon. Friends the Members for Plymouth, Sutton (Linda Gilroy) and for Plymouth, Devonport (Alison Seabeck) on the work they did to campaign for Plymouth to be part of the Building Schools for the Future programme. Schools buildings are important, but to get BSF money authorities have to demonstrate that the new buildings are linked to school improvement and a strategy for change; clearly, standards are an essential part of any school building programme. When I went to Plymouth, I saw that one of the reasons why Plymouth has been successful with its bid is that it has clearly identified that the new school buildings will be a means by which it can continue to improve on the already excellent standards in its area.

Head Teachers (Retirement)

17. **Simon Hughes** (North Southwark and Bermondsey) (LD): What proportion of head teachers he expects to retire in the next five years. [302063]

The Minister for Schools and Learners (Mr. Vernon Coaker): We estimate that 38 per cent. of current head teachers will have retired by 2015. Dealing with the loss of their skills and experience will be not only a challenge, but an opportunity. We have invested £30 million, through the National College for Leadership of Schools and Children's Services succession planning strategy, to ensure that this demographic challenge is managed effectively. The national college continues to work closely with schools, local authorities and faith bodies around the country to find, develop and keep excellent head teachers.

Simon Hughes: Although the head teacher recruitment crisis may have eased slightly, Professor John Howson, who is widely respected as the best analyst of these issues, says that the crisis in recruiting heads is continuing. The Government have had 12 and a half years in office, so why is that the case and what do they propose to do in the next six months to make the prospect better?

Mr. Coaker: I said to the hon. Gentleman that the national college has been working exceptionally hard to develop succession planning. It has been out looking to identify people who might well be the heads of the future. The hon. Gentleman will know—perhaps he saw some of the reports over the weekend—that the national college said that there were more teachers now than before who were aspiring to be the head teachers of the future. One of the ways that we can get more head teachers is to keep reminding ourselves and everyone of the excellent job that our head teachers do, of the need for proper leadership in our schools and of the way in which, if we get that effective leadership, we can turn around any sort of school. I am sure that the hon. Gentleman would join me in saying that it is an excellent profession. May I take this opportunity to congratulate our head teachers on the work that they do?

Discipline

18. **Mr. David Amess** (Southend, West) (Con): What steps he is taking to improve standards of discipline in schools; and if he will make a statement. [302064]

The Minister for Schools and Learners (Mr. Vernon Coaker): We have made a commitment that all schools will have good behaviour, strong discipline, order and safety. To secure this ambition, we have launched a new strategy to enable all schools to achieve good or outstanding behaviour standards. The strategy includes a range of measures to support and challenge schools. It builds on existing work that has resulted in the number of schools with inadequate behaviour being driven down to less than 1 per cent.

Mr. Amess: What the Minister has said is splendid, but the reality of the situation is that more and more of our children are being excluded from school because of behavioural problems and Government targets. What is the Government's strategy for dealing with those children who, in reality, have behavioural problems?

Mr. Coaker: May I say to the hon. Gentleman that the number of young people being excluded from our schools with permanent exclusions has reduced? One of the most effective ways of dealing with behavioural problems in schools is what many schools do across the country—they have a firm code of conduct that is properly enforced with the support of the parents, alongside proper measures within the school to deal with those young people who cause a problem. One of the most effective ways of doing that, which I would encourage—in fact, I did it when I was a deputy head teacher—was to have internal methods of exclusion that keep young people in school and prevent them from having problems outside school while preventing them from undermining the educational entitlement of the other pupils in the class.

Topical Questions

T1. [302071] **Robert Key** (Salisbury) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Children, Schools and Families (Ed Balls): Some local authorities, particularly in London, have been facing big and unexpected increases in the demand for primary school places. Earlier this year, the Schools Minister and I invited local authorities to bid for £200 million of extra investment to meet that demand. Following extensive discussions with the Local Government Association and the Association of Directors of Children's Services, I can tell the House that we have further increased this funding and we are today allocating £300 million to create an additional 15,000 primary places for four and five-year-olds across 34 local authorities.

I can also tell the House that 11 local authorities are joining our Building Schools for the Future programme. They are Brent, Darlington, Devon, Havering, Kingston, Croydon, Norfolk, Plymouth, Sefton, Wakefield and Warrington. Two more, Lancashire and Tameside, have been able to move forward in the programme faster than expected. That adds up to £1 billion-plus of investment to rebuild or refurbish our schools—investment that would be put at risk by the Opposition's proposals to cut £4.5 billion.

Robert Key: I am sure that the House is very grateful for that ministerial statement. If the Secretary of State agrees with me that how well we look after children with severe learning difficulties is a measure of what sort of country we are, will he find out why it was that only last week in Wiltshire the local council forced a family to a tribunal because it did not want to pay for the residential care recommended by all that child's teachers?

Ed Balls: I would say first of all that I think that Members on both sides of the House will be grateful for the £1 billion of extra investment that is going into primary school places and new buildings. I know that in Salisbury that is a little further down the track—the hon. Gentleman will have to hope for a Labour Government to be re-elected if he is going to get the new schools in his constituency. On the particular points that he raises, I am happy to look at the details. It disturbs me greatly if any local authority is ignoring advice when a child with severe learning difficulties needs residential care.

That should not be happening. These are local decisions, but I am happy to look at the details and see what we can do to help.

T8. [302079] **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): Following the previous Schools Minister's extremely helpful intervention to help save Trentham high school, would the current Schools Minister like to visit my constituency to see for himself the problems associated with the so-called Springfield academy site? At the same time, perhaps he would like to visit Trentham high and my colleagues in other parts of the city to see what is happening in those schools.

Ed Balls: The Schools Minister will be extremely happy to go to Stoke and visit as many schools as my hon. Friend would like on the day allocated for the visits. I am sure the Minister is very much looking forward to it.

T3. [302073] **Tom Brake** (Carshalton and Wallington) (LD): Ministers will be aware of the concerns of home educators about the Badman report recommendations. Would the Secretary of State be willing to meet a group of local parents to hear those concerns?

Ed Balls: The Schools Minister has been doing so; we have had a series of meetings. We have responded to some of the concerns and set out the evidence clearly. The legislation will be debated in the House. Although it is important to listen to parents' concerns, we have a balance to strike. We have a responsibility to the children as well, to make sure they are safe and that they are getting a proper education. When the hon. Gentleman looks at the detail, I hope he will be able to join what I hope will be a cross-party consensus that the proposals are good, sound and fair, and that they are to the benefit of children but respond properly to the concerns of some of the parents.

Alison Seabeck (Plymouth, Devonport) (Lab): I thank my right hon. Friend for his announcement on BSF and the further massive investment in new school building in Plymouth. When does he expect work to begin on the ground?

The Minister for Schools and Learners (Mr. Vernon Coaker): I thank my hon. Friend for that comment, and I again thank her and my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) for their work in putting forward Plymouth's case. We expect the plans between January and March next year, and that building will start soon afterwards.

T4. [302074] **Mr. John Leech** (Manchester, Withington) (LD): On 9 July, on Imagine FM, the Secretary of State said that he would love to visit Ewing school—a special school in south Manchester threatened with closure. Apparently, the Secretary of State is now unable to visit. Is this another broken promise from a broken Labour Government, or is the Secretary of State just too embarrassed to visit a local school rated by Ofsted as good with outstanding features, but threatened with closure by a local Labour council?

Ed Balls: I am very happy to visit any excellent school—special or otherwise—and I am very happy to go to Manchester, Withington to see what is happening on the ground. I have been there once and seen new buildings being built, standards rising and great teachers—all delivered by a Labour Government, and I hope at the next election supported by a Labour MP.

Mr. David Crausby (Bolton, North-East) (Lab): May I tell my right hon. Friend the Secretary of State that the Sure Start children's centres he has visited in my constituency are extremely successful? Can he absolutely assure me that they will be allowed to thrive under the next Labour Government?

The Minister for Children, Young People and Families (Dawn Primarolo): I assure my hon. Friend that the centres will be able to thrive under the next Labour Government. There is a commitment in obligations to local authorities to make that a comprehensive offer to young children. Unlike the Conservatives, we are not proposing to make any cuts at all to the Sure Start budget.

T5. [302075] **Angela Watkinson** (Upminster) (Con): The failure of the Learning and Skills Council capital funding project for colleges has been well documented. I am particularly concerned about its effect on Havering sixth-form college, which invested £3.4 million of its own money, including £1 million that had to be borrowed, on enabling works. That has had a serious effect on the college's cash-flow stability. In a meeting with the former Minister, now the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Birmingham, Erdington (Mr. Simon), and the college principal, Mr. Paul Wakeling, I understood—

Mr. Speaker: Order. This is becoming an essay. I gently remind the hon. Lady that topical questions must be brief. I think we have the gist of it.

Ed Balls: Very briefly, I expected the hon. Lady to say what good news it was that £42 million had come through for Havering's Building Schools for the Future, but there was no mention of it—maybe she knows what cuts are on the agenda for those schools. As for school college places, we are funding 55,000 more places. More places will be coming through for the hon. Lady and her college, which would not be delivered by the cuts that the shadow Secretary of State is proposing—*[Interruption.]*

Mr. Speaker: Order. I just say to the hon. Member for Wantage (Mr. Vaizey) that I hope Members accept that there is a particular responsibility at questions to the Secretary of State for Children, Schools and Families for hon. and right hon. Members to set a good example.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): As we fast approach the Christmas holidays, a number of secondary school age children in my constituency are still without a school place. I am concerned about the provision that is being made for children who are without a school place for so long, so will my right hon. Friend arrange for someone in the Department to meet me to tell me exactly what the duties of the local education authority are to provide an adequate education for people awaiting a school place?

Ed Balls: I understand those very serious concerns, and we will arrange a meeting as soon as possible to hear them and see where the problem lies.

T6. [302077] **Mr. Andrew Pelling** (Croydon, Central) (Ind): I was very grateful for the Secretary of State's answer to the first topical question and for the letter that I received from the Minister for Schools and Learners at lunch time about spending in Croydon, because half our emergency primary school places have ended up in temporary classrooms. Why did the Government allow that problem to come into existence? Looking forward to 2011-12 and beyond, will there be money to ensure that primary school places are in permanent buildings?

Mr. Coaker: Of course, the planning for primary school places is a matter for the local authority, and we have sought to deal with the problems that have emerged in some local authorities with those authorities. As the hon. Gentleman will know, we have announced £12.8 million for Croydon to deal with the problem that he mentioned. As he pointed out, Kingston and Croydon, as part of the BSF, will have a further £100 million between them to take these issues forward. As for 2011 onwards, that will be a matter for the next spending review, but I know which party I would rather have in power to take that decision.

Natascha Engel (North-East Derbyshire) (Lab): I should like to ask the Minister for Schools and Learners what he is doing to ensure that children are taught the importance of reducing waste and of recycling throughout their school career. If we are to give future generations a chance, we should not put so much waste into landfill and we should build far fewer incinerators.

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I am grateful to my hon. Friend for that question. Part of the curriculum review in primary schools will mean that waste, recycling and a general understanding of sustainability will be very much part of what is taught to primary school children. I am happy to have a meeting with my hon. Friend to discuss the issue further and to look at the good practice that already exists in some primary schools.

T7. [302078] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): I have given the Minister advance notice of the concerns of my constituents over the continued uncertainty at the Radcliffe school in Milton Keynes. I understand that he has told Milton Keynes council that he is minded not to award academy status. Can he simply confirm that decision today? If not, will he explain to the parents why he is taking so long to make a decision?

Ed Balls: The position is that no decisions have been made. If the hon. Gentleman would like to make representations, he can do so to me and to the Schools Minister. I am happy to have a meeting so that he can do so. In the end, these matters are for local decision, not for national imposition. I am told that the school in question has seen substantial increases in its results, but it is not too late for the hon. Gentleman to make his representations.

Phil Wilson (Sedgefield) (Lab): Will my right hon. Friend tell me what extra funding will be made available for new schools as part of Building Schools for the Future in the Darlington borough, part of which falls into my constituency?

Mr. Coaker: My hon. Friend will know that Darlington is part of the BSF announcement that we have made today. I understand that Hurworth secondary school is in his constituency and that he, along with many other Members of the House and many of my hon. Friends, has campaigned for that. I congratulate him on that, and I am sure that the school will welcome these developments.

T9. [302080] **Mr. Edward Vaizey** (Wantage) (Con): I hope that I can avoid detention and set a good example with this question. Will the Secretary of State help me with a reply to the chair of the governors of one of my local schools? On hearing about the Government's proposal for a legal right to a good education, they wrote that schools are heartily sick of receiving one missive after another missive after another, that such a legal right would add to costs and additional time commitment, and that that kind of thinking was out of touch and completely counter to what was needed. Does the Secretary of State share the sentiments of the chair of governors?

Ed Balls: I do not. I take it from that that the hon. Gentleman will not be supporting our pupil guarantee, which will ensure that every pupil who falls behind will be guaranteed 10 hours' one-to-one tuition in year 7 or in years 3,4 or 5 if they fall behind. In the end, we have to decide whether we want those guarantees to give every child the support they need or whether we want a lottery in education. If the hon. Gentleman's chair of governors wants a lottery, he had better vote Conservative.

Mr. Lindsay Hoyle (Chorley) (Lab): What consideration has the Secretary of State given to having a full assessment of the asbestos levels in schools, and what can we do to eradicate all asbestos from our schools, and particularly the ones in Chorley?

Ms Diana R. Johnson: My hon. Friend will be pleased to know that we have been having a series of meetings on this very subject. I recently met the Health and Safety Minister in the House of Lords to discuss it, so it is an ongoing issue. I am happy to have a meeting with my hon. Friend if that would be helpful.

Mr. Bernard Jenkin (North Essex) (Con): May I express a degree of surprise that the Secretary of State wrote a letter to the chair of governors of Great Tey primary school on Thursday, asserting that the school has failed to follow its published complaints procedures, on the basis of representations from the parents of only one child and apparently without consulting the local education authority, which is responsible for giving impartial advice? Is he aware that the letter is being used in a public campaign against the school, and was it his intention that it should be used in that way?

Ed Balls: I contacted the school through my officials in September. I pointed out to the school its obligations in law to make sure that a proper complaints procedure was followed when a parent made a complaint. I wrote to the school last week, two months later, to say how much I regretted the fact that it had not had a proper complaints procedure in this case, and I asked the school to reflect again. I hope it will reflect again. If not, I will have to require the school to have a proper

complaints procedure. It is important that it does, because in this case there are some substantial concerns about the treatment of that child, which are not being properly addressed by the school and by the governors.

Fiona Mactaggart (Slough) (Lab): I was very pleased to hear the Secretary of State announce an increase of £100 million in the funds for extra primary school places, but our difficulty will be to deliver those fast enough. Will he allow Slough borough council to create community primary schools, rather than insisting that new schools must be foundation schools or other forms of school through a competition, so that we can do it fast enough?

Mr. Coaker: I thank my hon. Friend for her comments about the money announced today for Slough for primary school places. The extra £9 million will be worth while in Slough, and I know that she has campaigned long and hard for that. On the provision of a primary school, we are looking at how we can ensure that Slough can quickly deliver the primary school that it needs.

Philip Davies (Shipley) (Con): Further to the excellent question from my hon. Friend the Member for Aldershot (Mr. Howarth), the Government like throwing money at divisive and politically correct projects such as Black History month. May I urge the Secretary of State to scrap that kind of initiative and direct the funding at a unifying programme promoting pride in British history?

Ed Balls: I am not sure how to respond to that question and stay within the bounds of acceptable parliamentary language. All I can say is that I attended a reception for Black History month in the House of Commons just a few weeks ago. I heard the testimonies of young people from different races and different ethnicities, all saying that by working together, respecting diversity and having unity in our country, we can combat extremism. That is the right way to proceed. Black History month is the right way to proceed. I ask the hon. Gentleman to reflect on those comments, which do him no justice, nor the Conservative party.

Afghanistan and Pakistan

3.32 pm

The Prime Minister (Mr. Gordon Brown): With permission, let me begin this statement on Afghanistan by once more paying tribute to our armed forces. Since 2001, our forces have been fighting in Afghanistan one of the longest military campaigns of recent times—longer, indeed, than the world wars of the last century—as part of our century's fight against global terrorism.

At all times our armed forces have shown the highest professionalism, dedication and courage, which make them the best and most admired in the world. They have endured heavy and tragic casualties. They deserve our utmost gratitude. Let me acknowledge the presence today, as visitors to the House, of members of 19 Light Brigade who have served with distinction in Afghanistan.

Decisions to extend military action are as critical as those that commence military action. There are two prior questions that people ask of our mission with our American and coalition allies in Afghanistan: one about the present, one about the future. Rightly, both questions have to be answered. The first is why today our armed forces are in Afghanistan, and the second is how and when Afghanistan can take responsibility for its own security so that our troops can come home.

The origins of our intervention in Afghanistan and the scale of the terrorist threat are known to us all. Around the world thousands of men and women of all religions, including thousands of the Muslim faith, have been murdered in al-Qaeda outrages. The London 7 July bombings cost 52 lives and injured more than 750 people. More recently in Britain, we have seen the 2006 Heathrow liquid bombs plot, the 2007 London and Glasgow bombings, and then this year an al-Qaeda-inspired conspiracy to target shopping centres. There are now over 120 convicted terrorists serving sentences in British prisons, and the security services report to me weekly on the hundreds of would-be terrorists who seek to operate within and target our country.

To counter that terrorist threat, we have, since 2001, trebled the resources available to our intelligence services and more than doubled the number of operatives. Today, almost twice as many regular police officers are engaged in full-time work to counter the terrorist threat. Suspect travellers are now checked at the border in real time against watch lists; an increasing number of people are excluded on national security grounds from Britain; and, because this is a fight for hearts and minds against violent extremism and those ideologies that would pervert the true Islamic faith, we have stepped up our work with our allies both to expose the damage that murderous and extremist ideologies do and to support those working across all faiths to uphold the common ground of dignity tolerance and respect for all.

So, our security in the United Kingdom and our effort to counteract terrorist propaganda have been, and continue to be, strengthened at all levels. Faced with the terrorist threat, some have argued that the most effective strategy is simply to defend Britain within our own borders—a fortress Britain; and some ask why British troops are in Afghanistan at all, if al-Qaeda can organise in Britain, in Somalia, in Yemen, in other places and, even, in internet chat rooms in every part of the world. But, as long as the Afghan-Pakistani border areas are the location of choice for al-Qaeda and the epicentre of global terrorism, it is the Government's judgment that we must address the terrorist threat at its source. Indeed, as long as three quarters of the most serious terrorist plots against Britain have links to those Pakistani-Afghan border areas, we would be failing in our duty if we did not work with our allies to deal with the problem where it starts. A more stable and secure Afghanistan and Pakistan will help to ensure a safer Britain.

Since 2001, progress has been made in driving al-Qaeda into the mountains of Waziristan. Today, for the first time since 2001, tens of thousands of Pakistani troops are in Waziristan, and, with President Obama, I have been urging Pakistan's leadership, most recently in a conversation with President Zardari on Saturday, to step up its efforts not just against the Pakistani Taliban in that region but against al-Qaeda. So, as an international community, we must intensify our support for the action of the Pakistani authorities, improve co-operation with Pakistan in the months ahead and press ahead with a development programme, amounting to two thirds of a billion pounds over four years, which is focused increasingly on the border areas and on encouraging the development of schools to counter the propaganda of the madrassahs. It is essential that progress in driving al-Qaeda from Afghanistan be matched by actions not simply to isolate but to defeat al-Qaeda within Pakistan.

Success in driving al-Qaeda into Waziristan has led some to propose that it is now sufficient simply to target al-Qaeda there. To explain why that is an inadequate response, we must understand the al-Qaeda network, its long-standing links with the Afghan Taliban and the extent to which al-Qaeda continues to seek, as in the past, a Taliban-controlled, permissive Afghanistan that would allow it unfettered opportunities to plan and launch with impunity its attacks on Britain and other countries.

So, our task is to prevent the Taliban from giving al-Qaeda that safe haven. Stabilising Afghanistan will not solve all our challenges in Pakistan and elsewhere, but instability in Afghanistan can only increase the risk of conflagration where the rest of the world can least afford it. That is why the safety of people on the streets of Britain requires us to deny al-Qaeda the space to operate across Pakistan and the option of returning to operate in Afghanistan.

That is the considered view of the 43-nation coalition, a unique force of NATO and non-NATO members led by the United States of America and supported by clear United Nations resolutions. Today our purpose is the same as in 2001: to deny al-Qaeda space to operate. But our approach to achieving that has now to be different. In December 2007, our Government became one of the first to suggest that Afghanistan must be prepared to take far greater control of its own security. Since then, we have consistently argued that to weaken the Taliban we have to strengthen the Afghan Government nationally and locally.

This approach is built on our knowledge that the Taliban have only minority support among the Afghan people and our judgment that the long-term security of Afghanistan is best secured by training the Afghan army and police, by building up civilian government at a local as well as national level, and through economic development giving Afghans a stake in their future.

This has to be supported, as we propose, by stronger international civilian leadership to work alongside General McChrystal to deliver the civilian aspects of this strategy. It is an outline programme for the transfer of lead security responsibilities to the Afghans—district by district, province by province—with the first districts and provinces potentially being handed over during next year. Let us be clear that this process will depend on the Afghans being ready to take responsibility and control: first, through more trained Afghan troops; secondly, through better policing; thirdly, through effective local and national Government; and fourthly, by giving Afghans, as I said, a stronger stake in their economic future.

I can also say that over time our objective is to work for and to encourage a new set of relationships between Afghanistan and its neighbours based on their guarantee of non-interference in Afghanistan's future affairs and on a commitment to fostering not only its long-term economic and cultural links with other powers in the region but immediate confidence-building security measures from which all can benefit. So I want the London conference on Afghanistan to be held on 28 January, which President Karzai and the Secretary-General of the United Nations have confirmed they will attend, to unite the international community behind a programme now and for the longer term to help the Afghans to secure and govern their own country.

Against this background, our coalition military strategy is essentially to create the space for an effective political strategy to work, weakening the Taliban by strengthening Afghanistan itself: a military surge, yes, but complemented by a political surge that is, most of all, an Afghan surge. Today I want to set out the benchmarks for this approach and then, and in that context, to give details of the numbers and deployments of our armed forces.

First, over the coming year, the coalition seeks a major expansion of the Afghan army from 90,000 to 134,000. We expect this surge in recruitment to allow an extra 10,000 troops to be deployed in Helmand, of which 5,000 will be trained and partnered by British forces. And we can start now. Six hundred Afghan soldiers are arriving in Helmand this month—an extra company for each Afghan battalion there. A further 10 Afghan companies—1,000 more troops—will soon reinforce the Afghan army's 205 Corps across southern Afghanistan. Increasingly, therefore, it will be Afghan forces that clear and hold ground as they prepare for the time when they can assume responsibility for their own security.

Secondly, within the next six months, the international community will agree with President Karzai's Government a police reform plan. We have agreed that, in Helmand, Afghan police numbers will increase immediately to 4,100, with further increases to follow. By mid-2010, the capacity of the Helmand police training centre that we have established in Lashkar Gar will be doubled, and we will double the numbers of police trainers provided by the Royal Military Police from 100 this year to 200 next year.

Thirdly, there needs to be an effective and accountable local administration. Over the next nine months, President Karzai will be expected to implement, with our support and that of our international partners, far-reaching reforms to ensure that from now on all 400 provinces and districts have a governor appointed on merit, free from corruption with clearly defined roles, skills and resources. District community shuras have been formed in Nad Ali, in Garmsir, in Gereshk and in Nawa, with more to come. Nationwide, the number of community development councils will increase within two years from 22,000 to 31,000.

Fourthly, there should be a clean, effective and inclusive national Government in Kabul—one that reaches out to political leaders and citizens from all strands of Afghan society. While President Karzai has agreed with us on the priority of tackling corruption with a new anti-corruption taskforce—and last week the arrest of 12 leading officials took place—we recognise that the test is not initiatives but delivery on the ground, and we will monitor carefully what President Karzai's Administration are doing.

We support President Karzai's call for a Loya Jirga and for reconciliation. It is the task of military forces—international and Afghan—to weaken and pressurise the insurgency, but it is right and essential that this work is combined with the offer of a way forward for those prepared to renounce violence and to choose to join the political process. Reintegration can only be led, and must be led, by Afghans themselves at both national and local levels.

For Afghanistan to enjoy stability in the future, farmers and working people in towns and villages must have a greater stake in that economic future: a major Afghan-led programme backed by significant funding to identify the likely growth areas in the Afghan economy, and to provide Afghans with credible economic alternatives to the poppy and the insurgency. With 20 per cent. more land growing wheat, this year's wheat harvest is expected to be the highest in 30 years. Programmes funded by our development Department will this year create 20,000 jobs in this area, and by 2013 will be able to raise the incomes of 200,000 people.

I turn now to the details of our force levels and our deployments. In my statement to the House on 14 October, I said that to support our strategy of Afghanisation—and particularly to train more Afghan soldiers and police, while at the same time maintaining the security of our forces—the Government had agreed in principle a new force level of 9,500, to be implemented once three conditions were met. I can report on each of these conditions.

First, I made it clear that we would increase the number of British personnel in Afghanistan only if we were assured that it would continue to be the case that every soldier and unit deployed is fully equipped for the operations they are asked to undertake. At this morning's meeting of our Afghanistan and Pakistan national security committee, the Chief of the Defence Staff gave that assurance—that this condition has been met both for the existing force and the additional 500 troops. Indeed, the chiefs report to me the continuing delivery of new equipment. Newly arrived Merlin helicopters have today been given the "green light" for operations in Afghanistan, a month ahead of schedule. Compared with three years ago, we have doubled helicopter flying hours; in the coming months, these will increase by a further 20 per cent.

By the end of the year, the number of heavily armoured, mine-resistant Mastiff vehicles will have almost doubled compared with August. The number of Ridgback—a smaller, more agile version of the Mastiff—will have increased by over 75 per cent. By spring next year, they will be joined by more Mastiffs adapted for explosive

[The Prime Minister]

disposal work and new Warthog tracked vehicles, showing the results of our investment over the last three years of more than £1 billion from the Treasury reserve in vehicles for Afghanistan. By the end of this year also, the build-up of a 200-strong counter-improvised explosive device task force, along with the dedicated equipment necessary, will be complete. In addition, aerial surveillance hours available to commanders have increased by over 40 per cent., and a further 200 specialist troops will be deployed against IEDs by spring 2010.

Three years ago, equipment and support for our forces deployed to Afghanistan, funded from the Treasury reserve, was estimated at around £190,000 supporting each individual there. This year it is more than double that—around £400,000 and still rising—and the best possible support and equipment is what we owe those who are fighting for our country in Afghanistan.

I said, secondly, that our contribution of 9,500 must be part of an agreed approach across the international coalition, with all countries bearing their share—a coalition whose principal member and largest troop contributor is of course the United States of America, and we continue regular discussions with the President and his team about the coalition's evolving strategy. America, as everyone knows, will make an announcement tomorrow, and the Secretary-General of NATO—I pay tribute to his work—reports that, in addition to the UK and the USA, eight countries have already made offers of additional troops and that other countries are likely to follow.

It is often said that America and Britain are fighting alone. This is wrong: excluding America and Britain, the numbers of international coalition troops will have risen from 16,000 in January 2007 to around 30,000 soon, and I believe that over the coming months even more countries will respond. Our effort in Helmand will benefit. Last year, total international force levels in the province were around 7,000; now they will be above 20,000—three times what they were.

Our third condition for deploying additional British troops was that the military effort of the international coalition must be matched by Afghan effort. President Karzai and his Defence Minister have assured us not only that 5,000 members of the new Afghan national army corps will be deployed to Helmand to be partnered by British troops during 2010, but that additional recruits will arrive for training in the next few weeks.

So with the three conditions now met, I can confirm that we will move to a new force level of 9,500; that the extra troops will deploy in early December to thicken the UK troop presence in central Helmand; and that from late January they will make the transition to the partnering role that we envisage for them. For understandable reasons of operational security, we shall continue to withhold information about their deployment and the nature of activities of our special forces, but at this time of increasing international effort, it is right to give a more comprehensive account of our total military commitment to the Afghanistan campaign. I believe that the British people have a right to know, and deserve the assurance, that our highly professional, widely respected and extraordinarily brave special forces are playing their full role not only in force protection but in taking the fight directly to the Taliban, working in theatre alongside our regular forces. I want the whole country to pay tribute to their work.

Taking into account those special forces, their supporting troops and the increases announced today, our total military effort in Afghanistan will be in excess of 10,000 troops. That force level enables us to deliver our military strategy of bringing security to the population. It will support our political strategy of strengthening the Afghan Government at national and local level, as they in return take steps to govern in a clearer, more effective and more inclusive way. It will accelerate the development of the Afghan army and police, so that in time they can take over responsibility for security and thus ensure that our troops can come home.

We are ensuring as best we can the safety of our forces, and we are today setting benchmarks for Afghanistan to meet. In the past few months, we have worked hard to achieve a stronger military presence across the coalition, with a more equal sharing of the burden, and in all we do we will never forget this fundamental truth of the military campaign: that keeping the streets of our country free from terrorism is our utmost responsibility, and that for a safe Britain, we need a stable Afghanistan. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement, but before turning to Afghanistan, may I start by putting right something I got wrong last week? Although the two Islamic schools I mentioned got Government money while being run by people linked to the extremist group Hizb ut-Tahrir, and although they did receive that money under a pathfinder scheme, it was not the pathfinder scheme concerned with combating extremism. I am sorry for the error—I believe that when one gets a fact wrong, one should put it right—but I continue to believe that it is wrong that taxpayers' money goes to schools run by extremists.

In Afghanistan, 235 British service personnel and Ministry of Defence staff have lost their lives and many more have been injured. That is a high price to pay, so first I endorse absolutely what the Prime Minister said about our forces. They are doing an extraordinary job, and they have the admiration and support of our whole country. We also back the reason for being in Afghanistan—that is, to enable Afghans to look after their own security without presenting a danger to the rest of the world. The sooner that happens, the sooner our forces can come home.

I want to ask the Prime Minister today about three matters: first, the political and military surge; secondly, the conference that is planned for January; and thirdly, the timetable that he has set out for handing over provinces and districts to Afghan control. On the 500 additional British troops, this is the same further deployment that the Prime Minister announced on 14 October, as he said, subject to the three conditions being met. Let me ask a little more about the three conditions. The first was burden sharing among NATO allies. He told the House on 18 November that he was in touch with eight allies about increasing their contribution, and he repeated the figure of eight allies today. Can he tell us which countries have pledged more troops, how many troops there will be in total, when they will be deployed and how many of them will go to Helmand?

The second condition was to ensure the forces had the necessary equipment. The Prime Minister today tells us that they will have that equipment. I have to say

that that is a test set by the Government and then judged by the Government. Although what he said about helicopters is welcome, is it not the case that in pro rata support, the US forces in Helmand have far more helicopters available to them? Is it not also the case that the Merlins, which the Prime Minister mentioned, are unconnected to the 500 troops that we will deploy because the Merlins were ordered a long time previously? It is worth making the point that if the Prime Minister had not personally cut £1.4 billion off the helicopter programme, we would not be in the situation that we are in today.

The third condition was that additional Afghan forces would deploy to Helmand. The Prime Minister helpfully gave us the figures today. Will he assure us that they will remain in Helmand once deployed? Is it still the case, as was reported to me, that fewer than 10 per cent. of Afghan forces are in Helmand province, even though almost half the fighting in Afghanistan takes place there?

The Prime Minister has set out some clear benchmarks for the Karzai Government. Why are we setting out such conditions only now, three and a half years after our forces arrived in Helmand? On the detail, is it really credible to deal with corruption in the police in the Prime Minister's six-month timetable when we have not managed it in the past three and a half years?

On what the Prime Minister said about appointing provincial governors, since my understanding is that most are already in place, what exactly does he mean by that pledge? Does he mean that some current governors must be replaced?

Let us consider the London conference. The Prime Minister also mentioned the Loya Jirga. Does he now believe that the Bonn settlement got it wrong and that the constitution in Afghanistan is too centralised? We have been pressing for some time for the appointment of a senior international figure to help drive forward the political strategy. Does the Prime Minister believe that that will now happen? Will he take up our suggestion of creating a permanent contact group of Afghanistan's neighbours to help deliver stability?

On Pakistan, some of the Prime Minister's remarks at the weekend, reported in the press, seem rather different from what he has said in the Chamber in recent weeks. When I asked him in October about Pakistan, he went out of his way to defend the way in which Pakistan was planning to take on al-Qaeda. As he put it, the Pakistan Government were

"planning how to deal with not only the Pakistan Taliban but the Afghan Taliban and al-Qaeda itself."—[*Official Report*, 14 October 2009; Vol. 497, c. 305.]

He described that as "encouraging". However, he has now gone out of his way to criticise Pakistan for failing to deal with al-Qaeda. Will he tell us a little more about what has changed in his thinking about the approach?

There has also been much speculation, following what the Prime Minister said in Trinidad, about timetables for handover. The statement to the House is slightly different from the briefing given to the press at the weekend. He says that he wants the London conference to determine the conditions for transferring provinces and districts to Afghan control. Yet he also said, not to the House, but in Trinidad, that he wants to see at least five provinces transferred to Afghan "security lead" by the end of 2010, and that he believed that that would be possible for "one or two" districts in Helmand. How can the Prime Minister be confident of that timetable before the London conference has even met and set the benchmarks? Naturally we all want our troops to come home as soon as possible—as soon as their job is done. However, does the Prime Minister agree that we must never say or do anything that gives the impression to the Taliban that we will not see this through? Nor should we raise any false hope or expectation among the families of British forces that may later be dashed. Can he therefore assure the country and our forces, as we approach the general election, that any suggestion about timetables for handover will be based on a hard-headed assessment of the situation on the ground? Is it not the case that the British public want us to do what is right—not speculate and risk the danger of raising false hopes?

The Prime Minister: First, I want to thank the Leader of the Opposition for his continuing support for the work of our forces in Afghanistan. In spite of the detailed comments that he made on some issues, we should get this in proper perspective. We are fighting terrorism and fighting al-Qaeda in Pakistan, but to do that successfully we must prevent them from having space in Afghanistan. Our plan for Afghanistan is not simply a military strategy—although that is central and fundamental to what we are doing—but a political strategy that, over time, the Afghan people can take more responsibility and more control over their own affairs. I do not think that I could have been clearer in saying that our objectives are not limited by date, but by achievement. The achievement of Afghan control and the ability of the Afghan people to take responsibility for their security is the determining issue in all that. We are making not a time-specific, but a task-specific commitment about what we need to do.

Let me answer the right hon. Gentleman's questions about the conditions. I said—he probably picked me up wrongly—that eight countries had pledged more troops in Afghanistan and that I expected more countries to do so in the run up to the conference on 28 January next year.

Mr. Gerald Howarth (Aldershot) (Con): Name them!

The Prime Minister: I also said that President Karzai had promised that 5,000 Afghan forces would be transferred to Helmand to partner with British forces over the coming year. I also said that those recruits were starting to come now into Helmand and would be deployed with British forces in holding ground in the area in the months to come. I have said previously that the imbalance between the numbers of Afghan forces in Helmand and elsewhere has had to be addressed, and this is one way of doing that. In total, 10,000 of the Afghan forces will be trained in Helmand over the next few months.

The hon. Member for Aldershot (Mr. Howarth) suggested that I should name all the countries concerned, but it is for them to make their own announcements. The Secretary-General of NATO has made it clear to me and others that eight countries have already given him a pledge of additional forces, and that other countries will follow.

[The Prime Minister]

As for our own troops and their equipment, the Chief of the Defence Staff talked this morning about the increase in ground forces in Helmand. He said:

"We have a third more protective patrol vehicles and helicopters have gone up by a third too. We have more than met the remit in quantity and it is also going up in quality. The equipment people are using is the best they have ever had."

The Leader of the Opposition also asked about the conference on 28 January. It is designed to bring the international community together. I said in my statement—again, he cannot have picked this up—that we wanted a new international co-ordinator to deal with the problems of civilian and military co-operation that have arisen in Afghanistan. I hope that when the UN appointee Mr. Eide is replaced, we will be able to consider in more detail the overall co-ordination of that effort. At the conference in January, we will also want to discuss how the neighbours of Afghanistan can come together to give guarantees about Afghanistan's security and its freedom from interference in the future, and at the same time how to support the economic and social development of the country. That was covered in my statement.

Other countries may wish to make announcements about troops and force generation in connection with the conference. The issue of constitutional reform, and the possibility of a constitutional reform commission for Afghanistan, may be the subject of remarks that President Karzai may want to make. We also want further agreement on how we can transfer lead security responsibility to the Afghan people. The conference, which all countries involved in Afghanistan will want to consider attending and which will be attended by President Karzai, will be an important milestone in the development of the policy of the international community in co-operation with Afghanistan.

The Leader of the Opposition also raised issues in connection with Pakistan. It is right that 30,000 Pakistan troops are now in Waziristan and are taking on the Pakistan Taliban, as well as isolating and cornering al-Qaeda. This is an important development. Over the last few months, perhaps the most significant thing that has happened in the region is that the Pakistan Government and all Pakistan authorities, including the opposition parties, have recognised that if they do not take action against the Taliban and al-Qaeda, they themselves will fall victim to terrorism within their own country, as well as allow international terrorism to flourish in Pakistan.

As I have said in the House on several occasions, it is an important development that Pakistan is now taking action in those areas. It is also necessary, however—as has been made clear by President Obama to the Pakistan authorities, and as I made clear to President Zardari on Saturday—for more action to be taken if al-Qaeda is operating within Pakistan and seeking further space to operate there. It is the duty of the Pakistan authorities to work with all international partners to attempt to isolate and destroy al-Qaeda in Pakistan.

I do not think that there is any contradiction in what I have said. It is important to recognise what Pakistan has done, but it is important also to recognise that for the past eight years, al-Qaeda has been able to send instructions from Pakistan to the rest of the world and to organise, from Pakistan, terrorist attacks that have affected every continent. That is why we want the Pakistan authorities to act.

We are providing the additional troops that are necessary, and we are working with a coalition of 43. It is a unique coalition that has never before been assembled, and one that involves NATO and other NATO members in dealing with the terrorist problem. Today we are giving the troops both the equipment and the resources necessary to do the job, and I hope that the whole country will support us in doing so.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I welcome the Prime Minister's statement, and of course join him in recognising and commending the enormously impressive work and selfless bravery of our armed forces in Afghanistan. I also join him in welcoming the soldiers from 19 Light Brigade and others who are in the House of Commons today.

It has finally become mainstream to talk about the need for a big shift in our strategy in Afghanistan. When I first questioned the effectiveness of our action there six months ago and called for precisely such a step change, I was told that it was unpatriotic to do so. The Prime Minister's change of tone since then has been dramatic and welcome. Our approach to our mission in Afghanistan has always been simple: we should do it properly or not do it at all. So does the Prime Minister agree that success is not just about troop numbers, and that focusing on troop numbers, as he has done today, to the exclusion of other things is putting the cart before the horse?

There is no point in sending a single extra soldier unless the strategy that our troops need to succeed in their mission is in place. So why is the Prime Minister making any announcements about troop numbers today, when we will not know until President Obama's announcement tomorrow what the new strategy is and what chances it has of success? I have in the past criticised the Prime Minister for keeping quiet over Afghanistan and failing to speak out in support of our troops and their mission. Has he not now swung a little too far in the opposite direction, seeking to make an announcement on troop numbers before we know whether the things are in place that would allow them to succeed?

We know from previous successful peacekeeping missions, such as those in the Balkans, that we cannot succeed unless we have the support of all the big regional powers. In Afghanistan that does not mean just Pakistan, China and Russia; it also means Iran, which is now at loggerheads with the west over its unacceptable announcement of 10 new nuclear facilities. Can the Prime Minister tell us how he will find a way to take a tough stance with Iran while seeking to keep it engaged in securing peace in Afghanistan?

A centrepiece of the Prime Minister's announcement today was his benchmark-setting for President Karzai. What happens if President Karzai does not achieve those benchmarks? What efforts are the Prime Minister and others in the alliance making to develop a plan B of bypassing Karzai's Government in Kabul and instead dealing directly with local and regional government? I am sure that the Prime Minister agrees with me that, given Karzai's record on corruption, we should not hold our breath for him to change, but work on finding ways to succeed without him if he does not.

Let me turn to what the Prime Minister said about improved equipment for our brave troops, in particular the welcome delivery of new Mastiff, Ridgback and

Warthog vehicles. Can he confirm here today that that means that the poorly protected Snatch Land Rovers are no longer being used by any of our troops out on deployment in Afghanistan?

Finally, let me address the issue of troop deployments by our NATO allies. The Prime Minister himself said that the deployment of any extra British troops would be conditional on other countries sharing the burdens, yet he refuses to tell us today exactly which other countries are sharing that burden. As he has made that a condition, will he now be clear and detailed in setting out what he expects? Which NATO countries are offering troops, when will they arrive in Afghanistan and what will their role be on the ground?

For several years now, since our troops first stepped into Afghanistan, the Government's strategy has been over-ambitious in aim and under-resourced in practice. I hope that today's announcement and the one that will follow tomorrow from President Obama finally turn the situation around, so that our troops have what they need for success and can come home as soon as possible, with their heads held high.

The Prime Minister: Again, I think that we should concentrate on where we agree. We agree, I believe, that the strategy of moving to greater control by the Afghans themselves over their own security is the right one. We agree that that will require the extra military numbers that we are putting in theatre, but so too are other countries. We agree that that has to be complemented by a political strategy which, as I have argued for quite a long time, has to involve building up the Afghan army and police, strengthening local and national government by freeing it from corruption while at the same time giving people an economic stake in the future. I believe that on all these things, we are agreed.

As for the commitments that the Afghans themselves must make, it is not possible for us to give them a blank cheque. What we have to insist upon is that the promises they have made about cleaning up the corruption that is obvious in Afghanistan, and their promises about delivering troops that can be trained in theatre with Britain and other coalition allies, are upheld. The test, of course, is not the words that are in addresses and statements; the test is in actual delivery. That is why I have put more force on what has been done in the last few days since President Karzai started his second term than on the statements made before these early days. It is important to recognise that troops are being provided, that an anti-corruption task force is being set up and that people have been arrested. More, of course, has to be done, but we have seen a start to delivery on a number of key issues that we put to President Karzai and demanded he made commitments to.

As for vehicles in the field, we need some small vehicles as well as the large ones. We have more Mastiff, we have more Ridgback and we now have the Snatch Vixen, which has been upgraded, but I agree with the right hon. Gentleman that we must ensure that all our troops have the best equipment possible. The truth is, as he knows, that we have had to move from a situation of face-to-face conflict with the Taliban to a guerrilla war conducted by Taliban members through the use of explosive devices to damage our morale and also to damage and kill our troops.

We have had to adjust our tactics to that, with different equipment, with extra work against explosive devices while at the same time bringing more equipment into the field, including unmanned drones to enable us to carry out surveillance where improvised explosive devices are being placed. We have had a great deal of success there, with more than 1,000—probably 1,500—IEDs dismantled as a result of what we have done. Where people suffer or are maimed or killed as a result of IEDs, we have a responsibility to do more. That is why we have increased the amount of equipment now available in the field for those tasks. More engineers will be going into Afghanistan in the next few months, to make sure that our increased number of troops are properly protected.

I assure the right hon. Gentleman that we take very seriously indeed what he says about equipment and the provision of proper measures for the safety of our troops, but I believe the answer is in the investment we are making, the new helicopters going into the field, the new vehicles going into the field and the special protection against explosive devices.

Mike Gapes (Ilford, South) (Lab/Co-op): However effective the Karzai Government, with their history of corruption, are in meeting the benchmarks, is not the reality that we are in Afghanistan for our own national security reasons? In that context, the Prime Minister rightly praised the efforts of the Pakistani Government, but how confident is he that the civilian Government in Pakistan have the power to shift the focus of their military and intelligence agencies to combat al-Qaeda, as opposed to their obsession with India?

The Prime Minister: My hon. Friend, who is an expert on these affairs, is absolutely right to draw attention to the importance of Pakistan and to the fact that, as I said, we are in Afghanistan for national security reasons. Because there is a terrorist threat to the people of our country, it is not enough for us to defend ourselves within our own borders. It is important that we try to deal with that terrorist threat at source.

As far as Pakistan is concerned, I have talked to President Zardari, as I said, and I also keep in touch with the opposition leaders in Pakistan while at the same time talking to the military—as do other members of the Government—and, of course, our armed forces. We can be sure that the Pakistan authorities are aware that they have to deal with the threat posed by the Pakistan Taliban and also by al-Qaeda. We can also be clear that we have to give the Pakistan authorities the support to enable them to do that.

I think that we must also take a long-term view of Pakistan. Its population will rise dramatically in future years, and the number of young people in the country who are subject to influence by terrorist and extremist groups is large. Given the number of madrassahs that exist in Pakistan's education system, there is a problem with young people being indoctrinated with extremist ideologies.

The Secretary of State for International Development, who is now in the Chamber, is right to insist that we put resources into education. He and the Foreign Secretary have undertaken a review of Pakistan's education system which is to be led by Professor Michael Barber. They are making a number of proposals that will improve the text books as well as the quality of education available

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in the schools of Pakistan, to which we are prepared to devote substantial resources to enable Pakistan to have an education system free of the influences of indoctrination. We want to work with Pakistan on a comprehensive strategy.

Mr. James Arbuthnot (North-East Hampshire) (Con): We can of course ask proper questions about the detail of the statement, and can throw back at the Prime Minister what he said about the importance of producing delivery on the ground rather than just words. Let me say, however, that it is high time that the Prime Minister finally came to take real personal charge of the argument in favour of our presence in Afghanistan, and that he needs to argue in favour of our presence there to help the stability of Pakistan, with its nuclear weapons. Does he agree that his statement constitutes not the end of that argument but the first of many statements to the House?

The Prime Minister: I appreciate what the right hon. Gentleman has said, in his capacity as Chairman of the Defence Committee. I think we all share the view that there is a terrorist threat, and that it must be dealt with at source as well as in our own countries. It is important for us to explain to the general public not just of our country but of other countries what we are doing, and to explain not only why we have a case for being in Afghanistan, but what our strategy is to enable the Afghans gradually to take more control of their own affairs so that our troops can come home. It is our duty not just to put across the case for being in Afghanistan, but to assure people that we have a plan and a strategy that is co-ordinated across NATO; the right hon. Gentleman's help in putting that message across will be much appreciated.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. These are obviously very serious matters, and many Members wish to ask questions. May I ask for one very brief question—and, perhaps, one brief reply as well?

Mr. Ronnie Campbell (Blyth Valley) (Lab): The Prime Minister's statement was obviously a good one, because we are seeing light at the end of the tunnel. I hope that that light comes earlier rather than later. Can the Prime Minister confirm, however, that there is no truth in the rumour that the Italians are pulling their troops out before Christmas, the Canadians are talking about pulling troops out, the Dutch are going to pull troops out, the Germans are talking about it—although they clock off at 5 anyway—and Poland is having trouble getting its troops in?

The Prime Minister: I cannot confirm all those rumours. It is true that Canada and the Netherlands have made announcements about the time-limited nature of their deployments to Afghanistan, but it is also true that a number of countries are ready to put additional troops into Afghanistan, including NATO members and countries that are not members of NATO. I am satisfied that thousands of additional troops will be provided not just by America and Britain, but by other countries. As I have said, eight countries have already indicated to the Secretary-General of NATO that they have numbers of troops that they are prepared to deploy to Afghanistan. I think it is also true to say that he has had indications from others that they will make announcements soon.

Sir Peter Tapsell (Louth and Horncastle) (Con): Why has the President of Pakistan just announced that he has given up his personal control of that country's nuclear weapons and transferred them to his Prime Minister, given that we have been assured for years that they are under the control of Pakistan's army, not its politicians?

The Prime Minister: In a democracy, it seems right that politicians make the final decisions.

Laura Moffatt (Crawley) (Lab): My right hon. Friend rightly focused on the issue of first-class equipment for our brave troops in Afghanistan. At the recent opening of the £100-million Thales plant in Crawley the Secretary of State for Business, Innovation and Skills and I saw the fantastic work being done there, and how much pride our workers feel in the fact that they are producing first-class equipment for our troops. A lot of this sort of information could be put out to our constituents without putting our troops at risk; if we did that, would that not let the public know that we have confidence in our troops and that we are giving them the very best of equipment, produced in the UK?

The Prime Minister: My hon. Friend is absolutely right: the equipment being produced for our troops, to deal with the new eventuality of the guerrilla warfare being practised by the Taliban, is of a very high quality. I am proud of the British firms that contribute to the equipment orders that are making possible greater security for our forces in Afghanistan. We will continue to upgrade the equipment available to our forces. In addition to the ordinary defence budget, several billion pounds have now been spent on new equipment—whether it be vehicles, helicopters or equipment to deal with IEDs—and some very notable firms, including some in my hon. Friend's constituency, are responsible for the advances we are making in both technology and equipment.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Will the Prime Minister undertake to invite Russia, China and India to take part in the London conference? Does he accept that not only would that be appropriate because they face the same international terrorism emanating from Pakistan and Afghanistan as we do, but that their presence would also reassure British public opinion and international opinion that, unlike what happened in Iraq, our presence in Afghanistan has the unanimous support of the United Nations Security Council?

The Prime Minister: The former Foreign Secretary is absolutely right: any permanent settlement that will ensure non-interference by other countries of the region in Afghanistan's affairs will have to include the countries that he mentioned. They will have to be part of the discussions about the relationship between Afghanistan and its neighbours, and they can be part of better security arrangements for Afghanistan. We will announce more information on the specific details of the London conference in due course, but I take on board what the

right hon. and learned Gentleman says: there have to be talks with the countries in the region about how they can secure the future of Afghanistan and, of course, build the economic, cultural and social links that are essential if Afghanistan is to be able to control its own affairs.

Mr. James Plaskitt (Warwick and Leamington) (Lab): When I was in Helmand this summer, I was able to see for myself the excellent medical facilities that we have at Camp Bastion; the soldiers there were also hugely impressed by them. With the increase in the number of troops being deployed, will the Prime Minister ensure there is a commensurate increase in the in-theatre medical services and the aftercare services back here in the UK?

The Prime Minister: My hon. Friend is absolutely right about the high-quality service—indeed, the superb service—provided by those charged with the health care of the people who are fighting in Afghanistan. I have seen for myself—as he and many other Members have—the facilities at Camp Bastion, so I have seen that that hospital has some of the most modern equipment in the world, and how well its nurses and medical staff care for people who have been wounded or injured, or who are in difficulty as a result of what has happened in-theatre in Afghanistan. Working with the Americans and other parties who share this medical facility, we are determined to improve it at all times. We are also determined to ensure that the facilities at Selly Oak in Birmingham are the best for members of our armed forces who are injured and need recovery, and for rehabilitation we have invested substantially in Headley Court and will continue to do so.

Mr. Michael Ancram (Devizes) (Con): The Prime Minister has rightly referred several times today to the need to deal with the terrorist threat at its source. Can he tell the House what proportion of terrorist threats or plots that have been uncovered, disrupted or prevented in the United Kingdom in the last five years have been directly connected with the Afghani Taliban, rather than the Pakistani Taliban?

The Prime Minister: I was talking about al-Qaeda and the threat posed in the United Kingdom by terrorist plots organised by, or in collaboration with, members of al-Qaeda in Pakistan. The evidence is that many of the plots we have had to deal with, including the most recent plots, are inspired by instructions that come from al-Qaeda operatives. There is contact between these al-Qaeda operatives and people in the United Kingdom. My point about the Taliban is this: if al-Qaeda were to have the space to operate in Afghanistan as a result of the Taliban coming back to power in Afghanistan, they would be an even greater danger not only to the region but on the streets of Britain.

Sir Stuart Bell (Middlesbrough) (Lab): The Prime Minister mentioned the whole country, and the whole country will be reassured by his statement. Was it not appropriate to remind the House that we are in Afghanistan under United Nations fiat, that 43 nation states are in the coalition and that eight further nations have pledged troops, with others? Would it not be appropriate for the Secretary-General of NATO to announce these pledges as soon as he can, so that we can build upon the confidence from today through to the conference in London on 28 January?

The Prime Minister: My hon. Friend is right: this is a unique venture. It is difficult to look back upon an event where so many countries have come together as part of one coalition, with the leadership of NATO and the United Nations, and are committed to providing additional resources not only to enable the surge in military activity to happen over the next few months, but at the same time to enable a political settlement to be reached. As for naming the countries that have offered troops, it is possible for me to refer to statements made by different leaders in different countries, but I think that the announcements should be made by those leaders themselves. No doubt the Secretary-General of NATO will want to make a comprehensive announcement soon. I am confident, if I may say so, that the 5,000 additional troops that I talked about a few weeks ago as being an important part of the continuing mission will be obtained as a result of the requests being made to other NATO and non-NATO countries.

Sir John Stanley (Tonbridge and Malling) (Con): Will the Prime Minister say what steps he will take to try to persuade the many countries whose forces in Afghanistan are confined, essentially, to a non-combat role to change their policies and be willing to share the combat burden with our forces?

The Prime Minister: The right hon. Gentleman is right to say that there are some countries that, either through their constitution or through their decisions, do not participate in the military fighting in Afghanistan, and do other work. It is important to recognise that we need the help of all countries, and that where countries are willing to make financial contributions, or contributions involving equipment, we should be prepared to accept them—as, for example, with helicopters. Of course the right hon. Gentleman is right to say that we want more people to share the military burden—the fighting on the front line—that has been an essential part of bringing peace to Afghanistan. I agree with him that we would like more countries to contribute with military forces prepared to go to the front line.

Alison Seabeck (Plymouth, Devonport) (Lab): My right hon. Friend knows well that Plymouth understands sacrifice; indeed, we are burying another very brave young man this week. However, perhaps I could read to him the words of Lance Corporal Pilgrim Patton of 2nd Battalion The Rifles. He wrote the following in the Plymouth *Herald*:

> "We are making a difference in Afghanistan. My friends didn't die for nothing".

We should remember that 14 of his comrades did die on the previous tour. He also said that the British Army has

> "the best equipment in the world".

Would my right hon. Friend support Lance Corporal Patton's view?

The Prime Minister: I am very pleased that my hon. Friend has been able to read out a letter from a serving member of our forces. I pay tribute to his work on

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behalf of the country, and to the work of all the people from Plymouth who have served in our armed forces, as well as people from the rest of the country. It is important to recognise the advances in equipment that have been made in recent years. It is important also to recognise that we have had to change our tactics because of the nature of the Taliban assault. Equally, it is important to recognise, as she said, that we have the best forces in the world, and we are genuinely very proud of everything that they do.

Stewart Hosie (Dundee, East) (SNP): May I thank the Prime Minister for the detail in today's statement, and say that I genuinely hope that the conditions he has set out will be met? He was quoted earlier today as having said:

"What we need is a political push to match the military push we're now agreeing to".

Given that the United States is engaged in an exhaustive review of strategy, would it not have made more sense to make a statement on the strategy and on our allies' political commitments to this conflict before the statement on deployment that we have heard today?

The Prime Minister: I hope that in looking at the statement, the hon. Gentleman will agree that I have tried to set forward the strategy that we have to pursue. Since December 2007, when I first said that the strategy must be one of giving the Afghan people more control of their own affairs and of, over time and progressively, building up the Afghan army, police, security services and local government, we have tried to pursue that consistent strategy and to persuade our allies to adopt it. It is important, of course, that we allow the deployment of troops to happen as quickly as possible now that decisions have been made across the alliance. It is right that, side by side with the statement of strategy and why we are there, I announced the figures for troop numbers. As I said, the troops will be deployed to Afghanistan within the next few weeks. It is important that we can signal that that way ahead can start. The hon. Gentleman is wrong to suggest that we should have waited longer; it is right to move ahead now.

Mr. Gordon Prentice (Pendle) (Lab): The Canadians are withdrawing combat forces from Kandahar in 2011. Kandahar, as you know, Mr. Deputy Speaker, is right next door to Helmand. Has my friend spoken to Stephen Harper, the Conservative Prime Minister of Canada, to ask him to reconsider, and what did Mr. Harper say?

The Prime Minister: I spoke to Mr. Harper at the Commonwealth conference and we had a discussion with other countries that were also present, including Australia, which is involved in Afghanistan, and New Zealand. It is my view that in Kandahar and Helmand there will be a greater number of troops next year than there are this year. Although some countries have made difficult decisions that they themselves have the responsibility to take, overall the number of troops in Helmand and Kandahar will rise.

Bob Russell (Colchester) (LD): In a few months, the Afghan national army will be bigger than the British Army. The Prime Minister has mentioned the 43 nations in the coalition, but he must accept that the vast majority of our major European NATO allies have not contributed troops on the ground in southern Afghanistan. May I ask him one specific question, which I believe will be a great help for our servicemen and women? May we have the deployment of more unmanned aerial vehicles—UAVs—to help detect terrorist activities?

The Prime Minister: The hon. Gentleman is right to mention that. I think I mentioned in my statement that the numbers would rise. It is an essential part of our strategy that this surveillance takes place so that we can discover and then dismantle the IEDs that have caused so much damage to our forces. Everybody here knows that 80 per cent. of the deaths that have been caused over the past few months have been caused by IEDs. To track and dismantle them we need unmanned vehicles. We also need military intelligence and engineers in the theatre who are enabled to dismantle these weapons, which have caused so much destruction.

On the hon. Gentleman's more general point, I believe that we will see additional troops coming from coalition members that are not America or Britain.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that his cogent explanation of our purpose in Afghanistan will command widespread understanding? Did I hear him right when I heard him say that the civilian aid programme will now work together with the military effort so that we can have a co-ordinated and unified approach under General McChrystal? Could this not be an opportunity to get around the corruption that at the moment so besets the Karzai regime and is the biggest threat to our being successful in our programme? Could that not be brought together under General McChrystal and delivered direct to the governance in the districts and provinces?

The Prime Minister: I am grateful to my hon. Friend for what he says. It is essential that we tackle corruption in the Afghan Administration. The way to do that is to ensure that moneys that are being spent in Afghanistan are properly accounted for. When money goes to the Afghan Administration for spending within Afghanistan, there is an Afghan reconstruction trust fund that is audited by the World Bank, and we try to ensure that moneys are going for the purposes that are intended.

My hon. Friend's more general point about the co-ordination of military and civilian work is very important and that is what we want to look at as part of the agenda for the London conference. It is important that as we look at who will succeed the UN special representative in Afghanistan, we try to bring together the military and civilian work in a more co-ordinated way and that we have people in charge of the humanitarian and development work in Afghanistan on a consistent and co-ordinated basis. What my hon. Friend says will definitely be taken into account as we consider what we can achieve as part of the London conference.

I am pleased to note that members of the armed forces who have served in Afghanistan are now in the Public Gallery of this House. I want, as will the whole House, to thank them for everything that they do in the service of our country.

Ann Winterton (Congleton) (Con): Having campaigned over the last four years for more protected vehicles with V-shaped hulls, I welcome the increased numbers of Mastiffs and Ridgbacks being delivered to theatre. Is the Prime Minister confident that the extra troops being sent to Afghanistan will not have the opposite effect to that which is intended—to exacerbate the situation, as has happened in the past? Could this not be history repeating itself?

The Prime Minister: No, I do not believe so. As I have said, we have had to adjust to a change in tactics by the Taliban. They are fighting what is in effect a guerrilla war and we have to change the techniques we use to deal with them. By having properly protected vehicles, surveillance of IEDs and intelligence backing up the military work of our troops in the field, I believe we are doing the right thing. The necessary surge in numbers in the parts of Afghanistan that have been subject to the greatest violence will be complemented by a political strategy, whereby if we take ground, it will increasingly be Afghan forces who hold the ground. Therefore, far from being seen as an occupying force, by partnering with Afghan forces we shall enable them over time to take security responsibility for their country.

Jeremy Corbyn (Islington, North) (Lab): Does the Prime Minister accept that a different analysis could be put on this? The vast increase in American troops due tomorrow—apparently—the increase of British troops to more than 10,000 and the demands on other countries look more and more like a colonial occupation, with all the demands that have been placed on the civilian administration in Afghanistan and apparently virtual control of it. Will that not just increase opposition there, in Pakistan and in neighbouring countries? Will it not actually make the situation worse, so that British troops may be there not just for another year, but for another eight years?

The Prime Minister: The question my hon. Friend has to ask himself is whether he believes that the Afghan Taliban, who are responsible for the denial of human rights, particularly to women, have the political support of the people of Afghanistan or not. All the recent evidence we have seen is that only a small minority of the population of Afghanistan support the Taliban. Even part of the insurgency includes people who are mercenaries, who are paid for their work and have no ideological commitment to what the Taliban say. In some cases, nationalists fighting with the Taliban can be detached from them by an effective Afghan Government and the process of reconciliation. If my hon. Friend starts from the proposition that the insurgency has massive support in Afghanistan, he may of course reach the conclusion that it is a mistake for us to work with the elected Afghan Government and the Afghan people to defeat that insurgency, but I start from the proposition that the Taliban have limited support in Afghanistan.

Mr. Andrew Mackay (Bracknell) (Con): Bearing in mind the fact that in the Prime Minister's last two statements to the House, he has quite rightly stressed the need for all our NATO allies to commit far more troops to Afghanistan and that he has also stressed that he would make great efforts to ensure that would happen, does he understand that it is disappointing and disturbing for many of us that this afternoon he has been forced to be so coy and not reveal any of those extra troops and their countries?

The Prime Minister: I think the right hon. Gentleman is labouring the point. I have announced that eight countries have already agreed with the Secretary-General of NATO that they will provide troops additional to those that they have in Afghanistan. I have also said that the NATO Secretary-General expects more countries to announce that in the next few days. I have already given figures on the doubling of numbers of non-British and non-American troops in Afghanistan over the last two years and more to show that the international coalition is made up not just of Britain and America, but that a vast range of countries contributes to the coalition forces. We should wait and see what the announcements of other countries are before we rush to the conclusion that the right hon. Gentleman has rushed to.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): We are probably something less than six months away from a general election and I think our troops deserve to hear the House speak with one voice. Has the Prime Minister considered, therefore, bringing in the leaders of the main Opposition parties to agree on the strategy for Afghanistan to ensure that Afghanistan does not become a party political football?

The Prime Minister: I hope from what has been said today that a message is going to the country that despite our other differences, the leaders of the major political parties in this country are all supportive of the efforts our troops are making in Afghanistan, and that they agree that the strategy moving forward is one whereby Afghanistan itself must take more responsibility for its own affairs, that we must work with Pakistan as well as Afghanistan to deal with the terrorist threat in that region and that although the financial commitment is strenuous, it is right to support our troops and our forces as we are doing.

Mr. John Baron (Billericay) (Con): Even with the 500 additional troops, total allied forces, including Afghans, do not exceed the 27,500 troops we had in Northern Ireland at the height of the troubles. Given that Helmand province is four times the size of Northern Ireland and that the ratio of helicopters to troops is far lower than when I served in Northern Ireland, what makes the Prime Minister think that an extra 500 troops will make sufficient difference?

The Prime Minister: Our strategy is not as the hon. Gentleman implies in his question; it is to build up Afghan forces so that they are in a position to take more security responsibility for their country. I am also telling the hon. Gentleman today that although there are 90,000 Afghan troops now, there will be, in our view, 135,000 or so by next year. It is our strategy to train up these Afghan forces so that they, by their professional ability, can hold the ground as well as take ground in Afghanistan over time. That is our strategy—not to rely exclusively on allied forces, but to have allied forces working with the Afghan army and a corruption-free

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Afghan police over the next few years. So the hon. Gentleman has misunderstood the strategy if he puts it the way he is doing.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I suggest to the right hon. Gentleman that he should set out his strategy in a fully detailed White Paper to be published by the end of this year and that the White Paper should be debated on the Floor of the House on a votable and amendable motion before 28 January?

The Prime Minister: We did set out—in April, if I remember the date rightly—the proposals that we had for what we called the Afghanisation strategy. We have set that out in detail in the House. Of course, if Members of the House want to debate these things in more detail, it is right that we should do so, but I had understood—perhaps I have been misled—that the official Opposition support our strategy.

Mr. Paul Keetch (Hereford) (LD): May I reinforce the comments of my colleague on the Select Committee on Foreign Affairs, the right hon. Member for Tonbridge and Malling (Sir John Stanley), about the role of other forces in Afghanistan? There was consistent criticism by British and US forces when we visited in April that NATO allies on a NATO mission were not playing their full role. Will the Prime Minister assure the House that the new troops going to Afghanistan from NATO and other countries will not be governed by so-called caveats? It is frankly no good having troops who will not fight at weekends, who will not fly at night and who go home at five o'clock.

The Prime Minister: The hon. Gentleman is absolutely right that we expect other countries to do more, but he is also a fair man and he recognises that, over the last few weeks, we have been trying to persuade NATO allies and, indeed, allies outside NATO to do more. But I think we also have got to appreciate that, in the end, we have got to build up the Afghan forces, just as Pakistan has got to have a more professional approach to dealing with terrorism, and that is where the answer to the problems lies in Pakistan and Afghanistan. We can do a great deal and we will have to do more, but, in the end, we want Afghan people themselves to take more responsibility for their own affairs.

Mr. Peter Bone (Wellingborough) (Con): The Chinook helicopter is the workhorse in Afghanistan. Is the Prime Minister actively considering purchasing new Chinooks?

The Prime Minister: If there are any statements to be made about helicopters, they will be made to the House.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Many of the extra EOD—explosive ordnance disposal—engineers the Prime Minister referred to will have to come from the Territorial Army. Now that he has seen the error of his ways and reversed his proposed cut to the TA, will he simply reassure the House that there will be no cuts to its budget next year?

The Prime Minister: I think we have made absolutely clear in the last few days the value we attach to the Territorial Army, given the decisions about money that we have made. But I hope that the hon. Gentleman will also consider that the priority at the moment is the effort in Afghanistan, and directing our resources to Afghanistan means also that we finance the Territorial Army for what it can do in Afghanistan. That is a decision that we have made. I had thought that the Opposition might be more—

Mike Penning (Hemel Hempstead) (Con): My hon. Friend has served.

The Prime Minister: I am grateful for the fact that the hon. Member for North-East Milton Keynes (Mr. Lancaster) has served and I am grateful to all people who serve in the Territorial Army. It is important to recognise that, but it is also important to recognise that our resources have got to be prioritised towards what we are doing in Afghanistan.

Mr. John Redwood (Wokingham) (Con): What proportion of Helmand does the British Army currently control, and how much more territory does the Prime Minister want them to win, with or without the help of the Afghan allies?

The Prime Minister: The right hon. Gentleman puts the question in the context of territory. I would prefer to put it in the context of people, and people working with the British Army in the main population centres. Our strategy is to work with the Afghan people in the villages and towns—particularly in the towns—to make sure that they feel comfortable with the Afghan army gradually taking more responsibility, to have an Afghan police force that is more in tune with the needs of the people, and, as I said, to build up the shuras and Afghan local government with good provincial and district governors. That is the strategy that we want to pursue.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Prime Minister stated that there are 90,000 trained Afghan troops, but as my right hon. Friend the Leader of the Opposition pointed out, just 10 per cent. of those troops are in Helmand province, yet 50 per cent. of the action—the hostilities—take place there. Surely it is time for more Afghan trained troops to be sent to Helmand province. The Prime Minister stated that there are 5,000 recruits coming. It will take two years to train those troops. Could he call President Karzai and get more Afghan troops down to Helmand now?

The Prime Minister: I think the hon. Gentleman misunderstands what I am saying. First, there are 10,000 troops to be trained for partnering in Afghanistan's Helmand province over the next year, not 5,000. Half of these will be trained by the British, and half of them by the Americans. Some of the troops that will come to Helmand will already have been trained and they will be there for partnering. Some of them will come to be trained from the beginning. The commitment that I have from President Karzai is that he now sees that Helmand is a priority, and that troops will be dispatched from the rest of the country to Helmand where, as the

hon. Gentleman rightly says, a great deal of the violence is. It is in recognition of that that I have made today's announcements.

Mark Pritchard (The Wrekin) (Con): In his statement the Prime Minister mentioned Yemen. He will know that Yemeni nationals form one of the largest groups operating within al-Qaeda, in both Afghanistan and Pakistan. Will the Prime Minister give a commitment that he will continue to work with the Government of Yemen to ensure that it does not become a failed state, and that Government Ministers and officials from Yemen will be invited to the London conference?

The Prime Minister: The hon. Gentleman is right to point to the terrorist threats that we see in different parts of the world. It is true that terrorists operating from Yemen, and in some cases then trained in Pakistan, are people whom we have had to pursue. It is also right that Somalia has become a major centre for the development of terrorist activity and that some of these groups are targeting Britain, but I repeat that the main centre—the epicentre, so to speak—of global terrorism remains Pakistan and the Pakistan-Afghan border. To take on the terrorist threat in Britain, we have to target Pakistan and Afghanistan, and the efforts that we put there into a political as well as military strategy are the most important things we can do. Of course we will not neglect the importance of Yemen and the dangers that I know exist there, but I emphasise that the important centre of global terrorism remains the one that we have been talking about today.

Mr. Andrew Pelling (Croydon, Central) (Ind): The Prime Minister leads the House in noting the sacrifice given by our soldiers. Sadly, is not this initiative repeating the mistakes of a political generation ago in Vietnam, when people talked about the west being under threat, saying with all good will that we wanted to withdraw, but inevitably getting drawn closer and closer into a conflict that ultimately could not be won?

The Prime Minister: The hon. Gentleman ought to look at the evidence for the support for the Taliban in Afghanistan. His assumption is that somehow the insurgency has massive popular support, and that the vast majority of the population would go with that insurgency if they had the choice. I do not think that that reflects the situation in Afghanistan. A recent poll showed that only 8 per cent. of the population of Afghanistan supported in any way the Taliban and the insurgency. I believe that most Afghan people want security and safety. I believe that they will support the partnering of British and coalition forces with Afghan forces, and that we have the ability to work with the Afghan people to defeat the insurgency. I also believe that there are many people associated with the insurgency who are mercenaries or others who do not share the extremist ideologies of the Taliban or al-Qaeda, and may wish at some point to join the ordinary political process and renounce violence.

Patrick Mercer (Newark) (Con): Why has it taken the Prime Minister so long to make up his mind to send the extra troops? Commanders in the field have been asking for an extra battle group for at least a year. Why the delay?

The Prime Minister: Last year we had 8,000 troops in Afghanistan, and at the moment we have more than 9,000 troops in Afghanistan, so the idea that we have not increased our forces over the past year in response to events is completely wrong, if I may say so. On the 500 additional troops whom today we have agreed to send, I think that it was right to lay down conditions that had to be met, partly because the public needed to be assured that everything possible had been done to make it clear that the equipment for our forces was the best possible; partly because we had to assure ourselves that other countries would play a part in the effort; and partly because we needed the Afghans themselves, after the election period, to commit to providing the forces that are necessary for training.

If our strategy is to work, we need the Afghan forces to be trained by British forces and by coalition forces. That is why it was important to get the assurances and, indeed, the practical announcements from President Karzai about the designation of troops to Helmand. I believe that putting conditions on the additional 500 forces personnel was the right thing to do, and I think that the hon. Gentleman is absolutely wrong in saying that we have not acted over the past year. We have done that, and I think that it was absolutely right to lay down conditions that, having been met, mean that we can go ahead immediately and send the additional troops to Afghanistan.

Mr. Deputy Speaker: We must now move on to the next statement, which is on Basildon and Colchester hospital trusts—

Andrew Mackinlay (Thurrock) (Lab): And Thurrock.

Mr. Deputy Speaker: Order.

Andrew Mackinlay: Basildon and Thurrock.

Mr. Deputy Speaker: Order.

Hospital Trusts (Essex)

4.51 pm

The Secretary of State for Health (Andy Burnham): With permission, Mr. Deputy Speaker, I wish to make a statement on patient safety in the NHS.

Last week, the two regulatory bodies took action in respect of two NHS foundation trusts, Basildon and Thurrock University Hospitals NHS Foundation Trust and Colchester Hospital University NHS Foundation Trust, and I wish to update the House on that. Separately, questions have been raised about safety standards at other NHS and foundation trusts. I wish to answer those directly and inform the House of the further steps that the Government are taking to improve regulation and safety standards in the NHS.

First, let me set out some important points of context. In 1999, the Government established an independent regulator for the NHS. In tandem, the Department of Health has sought to shine a spotlight on patient safety in the NHS over the past decade by encouraging the systematic publication, analysis and comparison of a range of clinical data. That followed the Kennedy inquiry into events at Bristol. That drive has brought more transparency and a greater focus on safety standards.

At all times, patient safety is our overriding concern, and there are signs of significant progress in the NHS as a whole. Overall, there was a 7 per cent. reduction in the hospital mortality rate in England last year. However, there is never any room for complacency, and patient safety must be the subject of a continuous process of improvement. There is still considerable variation in standards throughout the NHS, from one hospital to another, and in some cases the variation is unacceptably wide. That is the case in respect of Basildon and Thurrock University Hospitals NHS Foundation Trust.

A year ago, surveillance of data by regulators identified a high hospital standardised mortality ratio at the trust. Since then, the regulators have worked with the trust on a detailed improvement plan. That focus had brought improvements, and over the course of this year the HSMR has fallen. However, following unannounced inspections, the Care Quality Commission has raised further concerns with the foundation trust regulator, Monitor, about care standards and the rate of improvement. They agreed that progress was not sufficient, and it was felt that the trust was unable to deliver the improvements necessary within an acceptable time scale.

A decision was therefore taken to intervene and use formal powers by installing new clinical leadership at the trust. Two senior professionals from high-performing trusts will provide experienced medical and nursing support to ensure the early implementation of agreed clinical and nursing changes. A programme delivery office has also been established to oversee delivery. I can assure the House that, as a result of this action, I expect to see immediate improvements and will provide regular updates on progress.

Monitor has also taken action in recent days in respect of Colchester Hospital University NHS Foundation Trust. Last Friday, the regulator used its statutory powers to remove the chairman of the trust. Monitor had, over a period of time, raised a series of concerns with the trust in relation to performance and governance. It has concluded that those have not been adequately addressed and decided that new leadership is necessary to bring the improvements that patients have a right to expect.

I wish to make it clear to the House that the CQC has informed me that no similar action is necessary at any other trust at this stage. As part of regular monitoring, however, it has identified a small number of other trusts where action is needed to address concerns, and over the weekend there has been further analysis of safety in the NHS. Twelve NHS and foundation trusts have been claimed to be "significantly under-performing" in relation to safety, and a number have a high hospital standardised mortality ratio. While I welcome the shining of a spotlight on to safety standards, it is important to place this finding in context. Given that deaths in hospital have reduced overall—by 7 per cent.—it is possible that the trusts with a high rate are not showing the same level of improvement as the rest. That said, it is vital that these questions are investigated and answered.

It is also important to point out that the report by Dr. Foster analysed a more limited set of clinical and quality data than the CQC. The CQC therefore provides the authoritative voice on these issues, and takes a wider view. The report highlights a number of trusts where there have been issues, but many had already identified them and have action in hand. I can assure the House, however, that where legitimate concerns have been identified, they will be followed up. Again, I will provide updates as and where necessary.

Patient safety must at all times be the highest priority for my Department, the national health service and every single hospital in the country. I expect every trust in England to investigate all serious incidents and unexpected deaths and report them to the national reporting and learning system. This will be mandatory as part of new registration requirements. Following events at Mid-Staffordshire hospital, hospital standardised mortality ratios for all hospitals in England have been published on NHS Choices since April 2009. From next April, the CQC will introduce a stronger inspection regime that provides an in-depth analysis of trust performance in real time. This will also be available online for the public to inspect.

However, as a result of concerns expressed, I have asked the Department to speed up the implementation of this new system and will bring it in from January. Already, 90 per cent. of CQC inspections are unannounced. I wish to see this at least maintained in any new system, with more unannounced visits at trusts giving cause for concern. All trusts will soon be required to screen for MRSA when admitting patients through accident and emergency. Many already do, but I am asking the Department to speed up 100 per cent. adoption. I will also shortly bring forward plans to link hospital payment more closely to safety and quality.

Lord Darzi's next stage review made it the mission of the NHS to focus relentlessly on safety and quality. All trusts must constantly review performance and, where necessary, raise their game. Progress has been made, but where it is not quick or good enough we will always say so and act swiftly. I commend the statement to the House.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am sure that the House is grateful to the Secretary of State for making a statement about these two interventions

at NHS foundation trusts, notwithstanding the fact that he is not directly responsible for what happens in those trusts. However, if he is going to take some responsibility, can he explain what he did on or after 4 November, when the inspection report into the prevention and control of infections at Basildon and Thurrock was published on the CQC website, including many of the findings that have subsequently caused so much distress to the patients and public around Basildon and Thurrock? Was Thursday's press release about the intervention by Monitor merely a sacrificial lamb ahead of the Dr. Foster report?

Now that the taskforce has gone into the Basildon and Thurrock trust, does the Secretary of State agree that it is vital that, within days, it advises Monitor on whether the trust has, or does not have, the necessary leadership, clinical and otherwise, to take it forward for the future?

Earlier this month, Monitor made it clear that it was considering intervention at Colchester because the trust appeared to have breached the terms of its authorisation. Did the Secretary of State have any correspondence with Monitor about that, and did he have a view about it at the time?

In his statement today, the Secretary of State seems to have been talking almost interchangeably about the CQC and Monitor, but it will be evident to many, as it was to me, that they were not speaking from the same page in relation to Basildon last Thursday and Friday. Will the Secretary of State, like me, make it clear to the CQC and Monitor that the relationship between those two regulators will have to be closer and more harmonious than it has been in the past if it is to work effectively?

The Secretary of State's statement centred on two individual trusts, but the repercussions will be felt across the country, not least because of the worrying data in the Dr. Foster report, none of which should come as any surprise to the Secretary of State. However, instead of listening to the messages in the report, the Government set out over the weekend to shoot the messengers. They are quite wrong to do so, and that will not restore public confidence.

What is required, I am afraid, is evidence that the Government learn from the lessons of these serial failings. Why do I literally have to stand at this Dispatch Box again responding to issues very similar to those we saw at Maidstone and Stafford? Ministers each time call it an isolated case; each time they say, "We mustn't be complacent and it must never again happen"; but each time they fail to tackle the heart of the problem.

We know that the NHS is capable of delivering some of the best health care in the world; we know that some hospitals—such as my own, Addenbrooke's, in Cambridge—are among the best in the country and do remarkably well. However, to understand why some hospitals do not deliver acceptable standards, we just have to look at the lessons of the recent past: Stoke Mandeville, 2006; Maidstone, 2007; Mid Staffs, March this year; today, Basildon and Thurrock trust. Recurrent themes have occurred in each of those hospitals: waiting time targets prioritised over patient care; clinical priorities distorted by Government targets; a focus on financial issues at the expense of patient care; senior management at board and strategic health authority level prioritising national targets and policy objectives over the delivery of quality care for patients; primary care trusts focused on the cost and volume of treatments, rather than performance management of the quality of care for their public; and a lack of leadership and accountability, with front-line staff finding that the concerns they have raised are not being listened to.

When will the Secretary of State acknowledge that the Government must do something about this, and in particular scrap the top-down process targets that divert attention away from patient care towards tick-box questionnaires? It is clear that, where the regulatory system is concerned, the Government will have to abandon the health check published by the CQC last month. Will the Secretary of State agree that he should do so and instead have a rating system that actually relates to what patients experience in hospital and the results of the treatment they receive; that is based on outcomes, not processes; that has more on-the-spot inspections; that is based on patient experience and their reports of their outcomes; and that follows up unresolved complaints?

Another reform is to give patients and the public the power to influence how care is provided in the NHS. The Government scrapped community health councils and have never since allowed there to be an effective patient voice in the local community. Will the Secretary of State ensure legal protection for staff who blow the whistle on failings in their trusts, and that the NHS adopts, as it must, a "no-blame" culture in which the penalty is for the cover-up, not the error?

The public need to be assured that the Government are doing all that can be done to ensure the safety of patients in our hospitals, but today, how can they be? We have conflicting analyses from Dr. Foster and the CQC. We have Ministers out of their depth and in denial. We have an NHS that has the capacity to deliver the best, but with neither the incentives nor the leadership in place to make it happen. What did we get from the Secretary of State? We got processes, rather than purpose, and another statement that "this must never happen again". It is just not good enough.

Andy Burnham: I will deal with the hon. Gentleman's questions in turn, but let me deal first with his last point. I think he was accusing us of complacency, or of failing to address directly the issues that matter to patients. Ever since coming into this job, I have said that I do not want to over-claim for the NHS. Where it is good we should say so, but where there needs to be improvement, we will not flinch from taking the action necessary to get it.

It is important for the hon. Gentleman to acknowledge that the data on which the judgments in question are being made have been encouraged by this Government, following some of the events that he mentioned. The culture of challenge and analysis of clinical data has been at the heart of our plans for improving the NHS, which is why what he said was unfair and misdirected. It was this Government who asked the regulators to use the HSMR data to ensure that there was challenge. Because the Healthcare Commission, the predecessor to the CQC, was looking at those data, it was able to take the action that it did in relation to Mid Staffordshire.

I will always accept hearing from the hon. Gentleman that we can do more and should not be complacent, but I point out to him that there is no complacency. We have made changes, and thinking back to what was in place

[Andy Burnham]

before, I do not believe that it was possible to make judgments about the clinical standard and safety of care across the NHS, as it is today.

I shall deal with some of the hon. Gentleman's specific points. He particularly asked me about 4 November, when the report was submitted by the CQC. He has to accept that, as I said in my statement, the matter goes back further than that. Because of the system of regulation that we have, and because there is routine monitoring of data, action had been taken much earlier and the two regulators had been in contact about Basildon and Thurrock NHS foundation trust. Action was in hand and a plan had been developed, and it was because the regulators felt that progress against that plan had not been sufficiently swift that they decided to escalate their involvement. It is not fair of the hon. Gentleman to say that there was a knee-jerk response, because there had been a long process in place that had failed to produce the necessary improvements, and an unannounced visit by the CQC in October highlighted some of the concerns that then required the escalation.

On Colchester, the hon. Gentleman will know that Monitor has been expressing concerns about standards for some time and has been in dialogue with the trust. I support the regulator, in this case Monitor, in taking the action that it believes is necessary to improve standards for patients quickly. I shall make no apology for that.

The hon. Gentleman mentioned the relationship between the CQC and Monitor, and I agree that there needs to be close co-operation between the two regulators. I accept that there were lessons to be learned following the events at Mid Staffordshire about how that relationship could be improved, and I accept that he is right to say so, but there has been close co-operation on Basildon and Thurrock, and that has led to the action that I have described.

On Dr. Foster, the hon. Gentleman asked, "Why shoot the messenger?", but I do not believe that the Government did that. As I said, we have encouraged the publication of the relevant data across the NHS. He needs to take a step back, if he does not mind my saying so, because the patient safety rating in this case is disputed by some of the trusts in question. He will have seen yesterday that some of them issued a pretty strong rebuttal to the concerns raised, and that is all part of the process of challenge. We did not dismiss the Dr. Foster findings; indeed, it was on the back of those concerns that I asked to be assured that no action similar to that taken at Basildon and Colchester needed to be taken against any other NHS trust. I received that assurance from the chair of the CQC over the weekend.

As he always does, the hon. Gentleman made a big criticism of Government targets and suggested that they run counter to improving patient safety in the NHS. The best hospitals are meeting performance standards targets that matter to patients and financial targets, and providing high-quality, safe care.

Is the hon. Gentleman really saying that A and E departments were safer before the introduction of the four-hour target? I am not sure that he wants to make that claim. I remind him—it almost seems to have slipped his memory and that of his colleagues—that the patients charter circa 1995 included a four-hour A and E standard, and a proposal to reduce that target to two hours once it had been embedded. I do not therefore believe that it is possible for Conservative Members to stand at the Dispatch Box and claim that setting such targets is the wrong thing to do.

The hon. Gentleman mentioned the need for patient feedback and I agree that there is a need for better feedback from patients about the standards of care that they receive. That is why we introduced NHS Choices, with the ability for patients to put their comments online. However, I agree about the need for better patient satisfaction data, service by service, throughout the NHS. I have said that I want that published systematically, and a new link to payment for hospital services.

I assure the hon. Gentleman that there is legal underpinning for whistleblowing throughout the system, and we should all do what we can to support staff who want to raise concerns about standards in their workplace.

Norman Lamb (North Norfolk) (LD): I thank the Secretary of State for sight of the statement before he came to the House.

It is important to acknowledge the fine work and standard of care across most of the NHS. Indeed, there will be many fine clinicians doing important work in the hospitals that we are discussing, so it is important not to tar everyone with the same brush.

However, the revelations raise serious concerns. For example, a taskforce has been sent into Basildon, but will we get to the bottom of how the failures occurred in both hospitals so that we understand who was responsible? What about the clinicians? Each has a duty to their patients. Will they be held to account for any failures? What about the people on the board who have responsibility for patient safety? Will they be held to account?

The CQC says that there is no evidence of another trust's being in the same category as Basildon and the Secretary of State repeated that assurance. Yet that is precisely what we were told in the aftermath of Mid Staffordshire—that it was an isolated incident. How can we have faith in the CQC's standards given what happened with Mid Staffordshire?

Are Dr. Foster's concerns being thoroughly investigated, particularly the extraordinary statistic that 39 per cent. of hospitals have failed to investigate all unexpected deaths or cases of serious harm? Surely every case must be thoroughly investigated.

There is now a series of cases in which there is an extraordinary mismatch between rating and the reality: Mid Staffordshire, baby P, Basildon; and eight of the 12 cases that Dr. Foster raised were rated good or excellent. Does not that completely undermine confidence in the system of regulation? Do not we end up with a state of paper safety, but not real patient safety?

The Secretary of State will know about the NHS Confederation report "What's it all for?", which is a damning critique of the system of regulation in this country. It highlights that more than 60 bodies inspect hospitals, with no clinical engagement in responding to all those organisations. One person would take 491 years to provide all the data to the national regulators. What has happened to that report? Are the Government ignoring it or acting on it? If they are acting on it, how are they doing that? The report highlights that several bodies nationally are responsible in some way for patient

safety: the CQC, Monitor, the National Patient Safety Agency, the Health and Safety Executive. Who is ultimately responsible? Is there not a danger that no one ends up being accountable?

We hear that Monitor has a list of 11 NHS foundation trusts where there has been a significant breach of standards, which it is investigating. The CQC is investigating a few hospitals. Dr. Foster has concerns about 12 hospitals. Are they all the same hospitals? Are the different bodies talking to each other? Have the local primary care trusts been informed in every case? Do not the public have a right to know which those hospitals are?

Does the Secretary of State agree that ultimately openness and full information are more effective at driving up standards than tick-box self-assessment, without clinical engagement? Does he agree that it is hard to justify the increase in the pay of the chief executives at Basildon and Colchester by 15 per cent. and 11 per cent. to £150,000 when serious concerns were being raised about standards?

Given the accumulation of evidence and the fact that hundreds of people appear to have lost their lives unnecessarily, is not there a case for an independent investigation of regulation to consider its role, self-assessment, the lack of clinical engagement in providing data to the regulators, the role of targets—yes, they must be investigated—and that of financial incentives? Do we not owe it to all those who have been affected by the scandals?

Andy Burnham: We certainly owe it to every patient in the country to take these matters with the greatest seriousness, and that is of course what we will do.

The hon. Gentleman made some sweeping statements about the numbers of deaths. It is important to say that the hospital standardised mortality ratio is a trigger for investigation, but I would caution him against thinking that in and of itself it gives a verdict on hospital performance. It is very important—and only fair to people working in the national health service—that we think of it in those terms. The ratio can raise questions and concerns that need to be addressed, but we should not treat it as a verdict on performance, because it is not that.

The hon. Gentleman began by saying fairly that a good standard of care is being provided across the NHS, and it is right to remember that in moments such as this. There are 14 million hospital admissions every year and, as we have said many times, patient satisfaction with the NHS is running at historically high levels. He asked me how failures occur. Obviously, in respect of Basildon and Thurrock, that is now the subject of detailed work, and I will update the House as and when I have more information to give.

In respect of this case, and that of Colchester, it is important to say that the regulators have said that it is not in the same category as Mid Staffordshire NHS foundation trust. It is important to make that distinction. However, that is not a recipe for complacency and it is crucial that the questions raised are properly investigated and conclusions reached and disseminated. I assure the hon. Gentleman that that is what will happen in this case.

The hon. Gentleman asked whether every case should be investigated, and he referred to the Dr. Foster data in that regard. I agree with him that those are very important and I, too, would want to ask further questions about those data and how that finding was reached. He should know that it is a requirement of the National Patient Safety Agency for every serious incident or death to be investigated, and I reiterated that point in my statement this afternoon.

The hon. Gentleman questioned the role of all the different bodies commenting on such matters. After the creation of a culture of challenge and benchmarking and the use of data across the system, it is inevitable that there will be many voices in this debate, but the Care Quality Commission is the authoritative voice that this House should listen to. It was set up by Parliament to provide authoritative advice on such matters.

The hon. Gentleman also questioned the process of self-assessment as used by the CQC. That will be the bedrock of any regulatory system, but he will know that the CQC overlays that with a range of other measures and data that it receives from a range of sources. It is that 360° analysis of what is happening at any particular hospital trust that triggers its decision on intervention.

The hon. Gentleman also asked about pay. I acknowledge the concerns that people have about excessively high pay across the public sector, but particularly in the national health service. I know that he speaks for many people in voicing those concerns. Of course the boards of foundation trusts are independent of Government, but we wrote to them some months ago to remind them that they should set pay in accordance with wider pay trends in the public sector and, at a time such as this, they should at all times show restraint in setting awards.

Andrew Mackinlay (Thurrock) (Lab): My right hon. Friend the Member for Basildon (Angela E. Smith) wanted to be here but she is in Committee. However, although I have been working closely with her over the weekend, my question is my own.

The question that I want to ask is this. Monitor tells us that there has been a "significant breach" in the terms of the authorisation of the foundation trust at Basildon and Thurrock, citing

"a poor care environment in A&E…inadequate arrangements to treat children…breaches of infection control,"

high morbidity and mortality rates, and general problems with health care standards and governance. Does the Secretary of State share my view that it is incredible, untenable and unacceptable that the chief executive has not decided to step aside? I include in that some other executive directors, particularly the one charged with ensuring oversight of and compliance with the cleaning contract. There is a question of public confidence in Basildon and Thurrock. Basically, Monitor and the Secretary of State need to address it with some urgency. It is unsustainable that the people who have been found by Monitor, in the words that I have quoted, to be in such significant breach should still be in post this afternoon. I understand that there is a problem—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman has more than made his point—and I think that he did ask a question in there somewhere.

Andy Burnham: I heard one, Mr. Deputy Speaker, and I respect the fact that my hon. Friend was speaking for our right hon. Friend the Member for Basildon too in this regard.

[Andy Burnham]

My hon. Friend is right to say that every possible step must be taken to improve standards, but the test that Monitor must apply—I met Monitor last week and discussed this in detail—is: what action is most likely to achieve the quickest improvement and turnaround at the trust? That is what matters, I would say, to his constituents and those patients served by the hospital. The judgment is: how can the trust get improvements as quickly as possible? In this case, Monitor's judgment was that action was needed to strengthen the clinical leadership in the trust—both the medical and nursing leadership—but that standards were likely to improve more quickly by keeping the action plan that had been developed under the leadership at the trust. Monitor assured me that the action plan that had been developed was a good one, but said that it did not believe that progress on it had been sufficient to date, hence the need for the escalation of its activities.

I hear my hon. Friend's further concerns about the cleaning contract at the trust. I am afraid that I do not have a specific answer to give him today, but I will write to him in detail on that matter.

Mr. Eric Pickles (Brentwood and Ongar) (Con): I am very sorry to tell the Secretary of State that the situation with Monitor is not quite as he described in his statement. Monitor has had concerns about the level of mortality in Basildon for more than a year, but its intervention was slowed down because, in its words, it is complicated and difficult to intervene. My constituents deserve something better than to be held back by a process that has become complicated and difficult. After Mid Staffordshire, "complicated and difficult" is not a reason for non-intervention.

Andy Burnham: I hear what the hon. Gentleman says. I asked the same question of Monitor and the CQC last week, which was: when were the concerns identified and has there been improvement? I am assured—I will write to him with the figures—that there has been a discernible improvement on the mortality ratio at the trust over this year. I will give him the figures that indicate that the plan that had been developed, which I referred to in my answer to my hon. Friend the Member for Thurrock (Andrew Mackinlay), is having some effect. Nevertheless, I hear what the hon. Gentleman says about whether that improvement has been speedy enough. That was why a decision was taken to escalate the action. There has been a significant focus on the trust over this year, which suggests that the regulatory regime picked up the concerns at the trust. I expect to see immediate improvements as a result of the actions that have now been taken, and will report to all hon. Members on those improvements as they follow.

Jim Dowd (Lewisham, West) (Lab): Since the House rose for the summer recess, I have received extensive cardiac treatment at Lewisham hospital and a bypass operation at King's College hospital in September. The service that I received throughout that period, and which I continue to receive, has been exemplary. As a beneficiary of the services of the NHS, I cannot speak highly enough of the services in south-east London, which brings me to the Dr. Foster analysis. When I was at University Hospital Lewisham just this morning, as part of my rehabilitation programme, I took the opportunity to speak to the chief executive and the chairman of the trust. They are at some loss to understand how on the basis of the same data, both the Care Quality Commission and CHKS, the leading independent-sector supplier of health intelligence, managed to find it good, with CHKS putting it in the top 40 performing hospitals in the—

Mr. Deputy Speaker: Order. I am reluctant to interrupt the hon. Gentleman, but perhaps he would now put a question to the Secretary of State.

Jim Dowd: What action can my right hon. Friend take to ensure that people are not given conflicting information on the basis of the same data, which serves only to undermine the NHS and the people who work in it?

Andy Burnham: I am grateful to my hon. Friend for that question and I note his praise for the staff at both King's College and Lewisham hospitals, who will hear his kind words. It is important that my hon. Friend speaks in that way, because at moments like this, there is a tendency to cast a cloud over all the people working in the NHS, yet, as we all know, the vast majority of our constituents receive outstanding care from the NHS and it is crucial that these issues are at all times kept in context.

Contrary to what the hon. Member for South Cambridgeshire (Mr. Lansley) said, I am not shooting the messenger. Nevertheless, the safety ratio used for this piece of research is a new calculation and, as was rightly said, there has been some challenge to that calculation by a number of hospital trusts. I think that it is a healthy thing that there is a process of challenge in respect of these matters of the utmost importance, but I would also defend the right of hospitals around the country to counter suggestions if they believe that they give an unfair portrayal of the standards at any particular trust.

Mr. Graham Brady (Altrincham and Sale, West) (Con): It is not just the safety ratio that some trusts have challenged. The Health Secretary will know that the South Manchester trust has flatly rejected some of the factual findings in the Dr. Foster report, particularly with regard to being accused of leaving foreign bodies in patients after surgery. It says that there is no evidence of that having happened at all at the trust. Will the Secretary of State rapidly give a clear statement to the House setting out where there have been factual errors in the work that has been done?

Andy Burnham: The hon. Gentleman is right to refer to the strong words from South Manchester NHS trust. I do not think that there is any debate about the data that have been used, although there is some debate about the methodology that has then been applied to those data and the resulting scores. For instance, if we look at the Basildon and Thurrock trust, we see that it scored within expected limits on nine out of the 13 measures looked at by Dr. Foster, and it scored 98 out of 100 on one of them. I do not draw attention to that in order to dismiss the work that has been done, but it is nevertheless a complicated picture and it is not entirely clear why a score of 0 out of 100 was merited. It is important to recognise that this methodology has not

been used before. It is helpful that there is a process of challenge about safety in the NHS because there always should be an ongoing dialogue about improving safety, but some trusts are, I think, justified in raising concerns about this methodology if they do not believe that it fairly reflects the standards at their trusts, especially if that portrayal gives rise to undue concern among the local community. The hon. Gentleman is right that there should be a process of interrogation of this methodology, but I am sure that that will happen in the coming days and weeks.

Paddy Tipping (Sherwood) (Lab): Is it not the case that patient satisfaction at these two hospitals and across the acute sector as a whole is very high, with 90 per cent. of patients judging their care to be "good to excellent"? Despite that, what more can be done to put patients at the centre of the NHS so that they receive good-quality treatment rather than being merely the passive recipients of care?

Andy Burnham: My hon. Friend makes a very important point. He is right that the latest findings on patient satisfaction in the NHS show that 93 per cent. of patients rate the care that they receive as excellent or good. I have asked myself precisely the same question as my hon. Friend and I referred in my statement to my intention to bring forward proposals soon about how we can link payment for hospitals more closely to patient satisfaction and quality, as indicated in Lord Darzi's next stage review. I think that it is the way forward. It will enable us to focus the minds of those working in the management of hospitals on patients and, as my hon. Friend suggests, to make them the centre of concern. We will shortly present plans to increase the proportion of the tariff system that is accounted for by quality and safety.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. A number of Members are seeking to catch my eye. Unless we have much briefer questions—just one question each—and much briefer answers, a number of Members will be disappointed.

Mr. Michael Jack (Fylde) (Con): Blackpool, Wyre and Fylde Hospitals NHS Foundation Trust has worked very hard to reduce hospital infection rates at Blackpool Victoria hospital, and was deeply disappointed by the Dr. Foster analysis. What steps will the Secretary of State take to reconcile those different assessments of safety in hospitals so that the public can be reassured that their local hospital is as safe as the management say it is?

Andy Burnham: I have checked, and I know that the trust has been working hard across the board to improve safety standards. It has good progress to show for that work. I can tell the right hon. Gentleman and his constituents that the authoritative voice on these matters is the Care Quality Commission—although there will always be other voices challenging its assessment—and I refer him to the commission. There will, of course, be debate about the findings over the coming days.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Today, in the light of the inclusion of University Hospitals Coventry and Warwickshire NHS Trust in the 12 trusts that were analysed, I spoke to its medical director, Dr. Richard Kennedy. He had taken great exception to the findings of Dr. Foster, particularly those in respect of the standardised mortality ratio. The hospitals had provided Dr. Foster with amended data a month ago to conform with the new arrangements that were being sought, but the Dr. Foster organisation had chosen not to take any notice of those data or to include them in its findings. Will the Secretary of State take that up with the organisation, and ask why it happened?

Andy Burnham: When there have been such instances, I think it important for the facts to be established, and for clarification to be provided for trusts in that position if it is needed. It is not acceptable for concern to be raised at local level which is not justified. My hon. Friend has made his point very clearly, and I hope it will be followed up by both the trust and Dr. Foster. However, as I said to the hon. Member for North Norfolk (Norman Lamb), the hospital standardised mortality ratio is not in itself a verdict on hospitals. It is simply a trigger for investigation.

Mr. David Amess (Southend, West) (Con): Basildon hospital enjoyed a first-class reputation when I was Member of Parliament for Basildon, and I am shocked and saddened by what has happened. If it is true that patients are to be transferred from Basildon to Southend, what assistance will the Secretary of State give Southend hospital to help it to cope with the situation?

Andy Burnham: I am sure that it was not just the hon. Gentleman's departure that led to what has happened. Having served with him on the Health Committee, I know of the great interest that he takes in health matters. It is and will remain our policy for patients to have full choice across the national health service. We want to see the regular publication of higher-quality data, and that is at the heart of the new regulation regime that will be introduced next year. We have also introduced NHS Choices. If more patients choose to use Southend, that is their choice, and Southend will of course be paid accordingly by the necessary commissioners.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Will the Secretary of State accept that the obsession with structures, trusts and foundation trusts is entirely irrelevant to the level of care that we expect in our hospitals? Will he understand that the spending of a million pounds a throw on foundation trusts is simply a waste of money, and that the best work he can do is to put more money into front-line services, get rid of all this "architecture"—I think that that is what new Labour calls it—and concentrate on delivering a health service worthy of the name?

Andy Burnham: I hear what my hon. Friend says, but I am afraid that I disagree with him. If he speaks to chief executives and the senior leadership in any foundation trust in the country, he will find that the most helpful process they have been through is the process of applying for foundation trust status, as that gives them information about their organisations that they did not have before. The process has led to rising standards across the health service. While we cannot be complacent and we want to improve standards in foundation trusts where we need

[Andy Burnham]

to do so, in many cases this reform has led hospital trusts to raise their game and improve what they do for local people.

James Brokenshire (Hornchurch) (Con): The Secretary of State must appreciate that throughout the country there will still be considerable uncertainty as to the standards of care provided at hospitals. In his statement, on the one hand he implied that the CQC was authoritative, yet on the other hand he said that, where legitimate concerns had been identified, they would be followed up. Can he be more specific on how they will be followed up, and assure the House about the timetable for this, so we can get some greater certainty given the information that has been provided over the past few days?

Andy Burnham: I can indeed give the hon. Gentleman that assurance. That is the job of the CQC: its job is both to provide regular supervision of performance across the national health service, and where concerns are identified, to intervene and ensure that the necessary action is taken. It acted in respect of Basildon and Thurrock, and because it had not seen sufficient improvement, its concerns have now escalated and it is working in tandem with Monitor. That is how the process works. Where there are concerns about other trusts, it will follow them up with those trusts. I repeat what I said in my statement: I will update the House where any action has been taken.

Dr. Richard Taylor (Wyre Forest) (Ind): As the Select Committee on Health has recently completed a report on patient safety that contains many helpful conclusions and recommendations, will the Secretary of State use his good offices to ensure that we have a full debate on patient safety?

Andy Burnham: I certainly agree that patient safety is of the highest importance and that it is crucial that this House devotes time to debating how to raise standards of patient safety. It is the one area where we can confidently say that there must never be complacency. There must be a continual process of interrogation of standards at all trusts, and just when a trust feels it is doing well enough, it should look again and improve its performance even further. I agree with the hon. Gentleman that we need to devote more time to debating patient safety on the Floor of the House.

Bob Russell (Colchester) (LD): I am grateful to Mr. Speaker for agreeing to my request for a statement on Colchester hospital. There is great concern and anxiety among the local population, and there is a need for urgent steps to be taken to give reassurance and to bolster the morale of staff throughout the Colchester Hospital University NHS Foundation Trust. That said, I attended the trust's annual meeting, and what was said there does not reflect what we are hearing now. There appears to be a battle between the various quangos. Does the Secretary of State agree that we are witnessing the consequences of a box-ticking, target-setting agenda and that there is an urgent need for local democratic accountability?

Andy Burnham: I have to say that I do not agree with the hon. Gentleman. While I respect his views about his local trust, the regulator identified a number of performance and governance concerns, and it asked for a process of improvement at the trust. That did not follow within the time scale requested. I will defend the regulator in taking firm action, where standards need to rise. The hon. Gentleman will know that the foundation trust model allows patients to become members of a trust and to hold it to account. I encourage him and his constituents to use the voice that that reform gives them to hold their local trust to account and have their say in the delivery of local health care.

Mr. Kevin Barron (Rother Valley) (Lab): My right hon. Friend said earlier that NHS patient surveys always show very high satisfaction scores. Does he agree, however, that such surveys are not a good way to measure the variation in standards and safety in the national health service and that we need to make sure that we have the right mechanisms in place so that the best that is delivered in any hospital in the United Kingdom is achieved in every hospital in the United Kingdom?

Andy Burnham: I agree with the Chairman of the Health Committee that patient satisfaction is an important part of quality, but it is only a part of quality. It needs to be set against clinical safety standards and, of course, clinical effectiveness; it is crucial that the broadest possible view is taken of quality in the NHS, and that was the conclusion of Lord Darzi's next stage review. I assure the Chairman of the Health Committee that as we develop plans for the NHS in the coming period, we will seek to embed the conclusions of that review in the payments structures of the NHS, so that there is a relentless focus on quality and safety in every NHS organisation.

Bob Spink (Castle Point) (Ind): Basildon hospital serves my constituents and it has some wonderful, caring staff, but since 2005, I have raised serious problems with the trust, which have not yet been addressed. On a specific point, may we empower patients and families by routinely providing them with personal antimicrobial products, so that they can actively participate in preventing the spread of health-care-associated infections in Basildon, as well as in all UK hospitals?

Andy Burnham: I hear what the hon. Gentleman says. I have not visited that hospital recently, but I am confident that, as happens in many other hospital trusts now, alcohol gels and other products will be freely available in the hospital environment for people to use to bear down on rates of infection. It is also important to say that rates of infection have decreased significantly right across the national health service, in respect of not only MRSA, but clostridium difficile. He is right to say, again, that there can be no complacency on this issue, and I am sure that the leadership at the trust will have heard his comments today.

Mr. Bernard Jenkin (North Essex) (Con): May I remind the Secretary of State that new Labour was originally elected on the slogan "24 hours to save the NHS"? That now rings all too hollow to people who rely on Colchester general hospital for their health care. Will he reflect on that and explain why he is still having

to make announcements of this nature, given that health expenditure has doubled since the Government were first elected?

Andy Burnham: The hon. Gentleman has a short memory about the state the national health service was in during the 1990s, when people routinely waited hours on end in accident and emergency departments up and down the country. I was looking last week at the patients charter, which, in the mid-'90s, set an 18-month maximum wait for treatment and a year's maximum wait for heart bypass operations. Will he tell us how many people waiting for those heart bypasses never got to have the final operation, such was the state of the national health service in those days? Improvement has taken place in the NHS, but I say again that I do not over-claim for the NHS. When it needs to be better, I will say so and we will take the necessary action to make it happen.

Mr. John Baron (Billericay) (Con): Having met the management of Basildon hospital on Friday and toured a number of the wards, including the accident and emergency wards, I have been assured by the management and clinical staff that the hygiene recommendations of the CQC report have been implemented in full, with the help of a nursing taskforce. The key concern for my constituents is safety for patients in the hospital and for those about to go into it. How quickly can the Health Secretary report back to us on the progress and effectiveness of Monitor's intervention for the sake of those patients and of the many people in Basildon hospital who are doing excellent work?

Andy Burnham: I welcome the close interest that the hon. Gentleman is showing in this issue. I want to give him the facts so that he can then make the necessary statements to local people in his constituency about the performance of the trust. I do not seek to put any spin on it; he can have those facts to show whether improvement is coming quickly enough.

As I said to the hon. Member for Brentwood and Ongar (Mr. Pickles) a moment ago, improvement has been made this year on the mortality ratio. I shall give the hon. Member for Billericay (Mr. Baron) those figures, but the judgment is that the progress needs to escalate. The trust now has the benefit of two senior professionals from one of the highest-performing trusts in the country, both on the medical and the nursing side. We expect them to start work immediately and a programme office based at the trust will [illegible] onitoring and overseeing progress. I shall give [illegible]s and when they are available, but I agree with [illegible] that improvements need to be immediate.

Mr. Peter Bone (Wellingborough) (Con): Basildon is one of seven trusts that have been shown to have a high mortality ratio not just for one year but for five years. One of those other trusts is Kettering, which serves my constituency. What will the Secretary of State do about the other six trusts identified by Dr. Foster?

Andy Burnham: May I say to the hon. Gentleman that this ratio was developed by Professor Brian Jarman, and we very much encourage its use? However, it is not of itself a verdict on a trust's performance. It is simply a trigger that then gives cause for more investigation and inquiry. In many cases, trusts that have had a high mortality rate have been able to bring it down. There may be a number of reasons why a particular trust has a high standardised mortality ratio and the circumstances need to be investigated. I assure the hon. Gentleman that those trusts will be investigated. If we need to take further action, of course, we will.

Mr. David Heath (Somerton and Frome) (LD): It is not just about chief executives and managers. Every single surgeon, doctor, nurse and other professional has a professional duty of care to reduce risk. To that end, and to help them, can the Secretary of State tell me what progress has been made in introducing the checklist procedure for individual procedures that was pioneered in the Johns Hopkins hospital and that is shown to reduce morbidity and mortality rates? Is that being taken forward throughout the health service?

Andy Burnham: I assure the hon. Gentleman that it is being taken forward. If he does not mind, I will write to him with a detailed progress report on how adoption is proceeding through the national health service. I agree about the techniques pioneered by an institution as eminent as the Johns Hopkins university hospital in Baltimore. We have worked and looked internationally to use the best standards. The NHS has a reputation for learning and implementing quickly some of the best standards from around the world, but I will give the hon. Gentleman an update along the lines that he seeks.

Mr. Andrew Pelling (Croydon, Central) (Ind): Does the Secretary of State accept that it causes consternation and concern when the CQC rates hospitals as good and then Dr. Foster reveals such difficulties? It undermines confidence. In my constituency, in the Mayday hospital, there were issues to do with process that unfortunately led to constituents passing away, but then the CQC rated my hospital as good. Should I now feel that the CQC process for my hospital should be questioned?

Andy Burnham: I say again to the hon. Gentleman that the CQC is the authoritative voice on matters of safety and quality in the national health service. It was set up by Parliament to do that job. It takes a broader view of safety and quality in the NHS, looking across a much broader range of indicators than those used by Dr. Foster. However, I do not dismiss the work that has been done by Dr. Foster. In the case of a number of trusts that have been identified as a result of this work, there needs to be a further process of inquiry to establish whether the concerns are justified. The methodology used is new, and it needs to be questioned so that the hon. Gentleman can give clear advice to his constituents. I say again that the CQC is the leading and authoritative body set up by Parliament to do that job.

Points of Order

5.48 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): On a point of order, Mr. Deputy Speaker. Can you say whether you have had any indication from the Chancellor of the Exchequer that he intends to confirm in a statement that non-domicile tax status will not apply to rich kids living in Richmond and Kingston unless and until those two boroughs secede from the United Kingdom?

Mr. Deputy Speaker (Sir Michael Lord): I am sure that it will be no surprise to the hon. Gentleman to hear that I have had no request for such a statement

Mr. Andrew Pelling (Croydon, Central) (Ind): On a point of order, Mr. Deputy Speaker. I enjoyed seeing the Christmas tree going up over this weekend when I was working here at the House, but I note that it was blown down this morning. Is there an appropriate place to raise issues about the safety of visitors and people working on the parliamentary estate now that we have seen the tree blown down? Is there a precedent for the Christmas tree falling down and is it a bad omen for anybody?

Mr. Deputy Speaker: All I can say to the hon. Gentleman is that steps are being taken to ensure that the tree is re-erected and I am sure that it will be put back safely.

Financial Services Bill

[Relevant Documents: The Fourteenth Report from the Treasury Committee, Session 2008-09, Banking Crisis: regulation and supervision, HC 767, and the Government and Financial Services Authority responses, HC 47, Session 2009-10.]

Second Reading

5.49 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): I beg to move, That the Bill be now read a Second time.

As the House well knows, the whole world economy has been hit by a severe financial crisis, resulting in the worst global downturn for well over 60 years. Fundamentally, the crisis was caused by the failure of people operating in the market around the world fully to understand and keep up with the consequences of financial innovation and globalised markets: quite simply, people took on too much risk and became too exposed in relation to some products. There are clearly lessons to be learned by Governments, regulators and central banks, who in too many cases underestimated the threats posed by system-wide risks and did not fully appreciate the implications of financial activity outside the regulatory scope.

It has been necessary to make some major changes, including in the way firms are managed, which as I have said on many occasions is the first line of defence, and in relation to the quantity and quality of capital the banks hold, and in the way regulators monitor firms. Over the last year or so, we have already taken action to ensure that the UK authorities have powers to deal with failing banks, as well as to protect consumers and taxpayers. The Banking Act 2009 established a new permanent special resolution regime that has allowed the authorities to deal with failing banks and building societies. As the House knows, we have already used that measure in respect of the Dunfermline building society earlier this year. Similar powers in the emergency legislation that allowed us to nationalise Northern Rock also allowed us to deal with Bradford & Bingley when it got into difficulties. The House saw the problems we had before we had those powers, so the Act has provided us with a useful way to resolve things if banks get into difficulty.

In addition, the Financial Services Authority is implementing the conclusions from Lord Turner's recommendations on how to strengthen the regulatory regime. We have also seen the proposals on reform of corporate governance recommended by Sir David Walker in his report last week. Although those reforms may not have received as much attention as his proposed reforms of bankers' pay, they are all important and they all need to be implemented.

We have taken the lead in reforming international regulation through the G20 and the Financial Stability Board, as well as in the European Union, because international co-operation and co-ordination are very important, as we have seen. The origins of the problem may have been in only one part of the world, but within a matter of weeks it affected just about every part of the world. The days when we could be content that we had a regulatory regime that was fine for our own jurisdiction are behind us. We need to make sure that there is international co-operation, and that it continues in the

future. We have also taken measures to clean up banks' balance sheets, and the process has been worked through, including the introduction of the asset protection scheme.

The final part of the reforms we need to put in place relates to the powers available to the FSA, on which we consulted following my statement of 8 July. We published a White Paper and the Bill represents the conclusions that we reached following that.

Bob Spink (Castle Point) (Ind): I welcome the Bill as far as it goes, but is there not time even now to include some protection for consumers on the pre-payment of goods—for example, furniture, holidays and concert tickets? That would be a very good thing, and would help to build confidence.

Mr. Darling: I shall come to the Bill's proposals on consumer protection, which we need to do more about. I am very much aware of the campaign being urged on us about pre-payment. We had some experience of that with the Farepak problems a couple of years ago. The provisions are not in the Bill because at this stage of this Parliament I wanted to keep the measure sufficiently small and manageable to ensure that, as I hope, it will complete all its stages before the end of the Session. That is not to say, however, that legislation on further consumer protection will not be necessary. I shall turn shortly to the measures that I propose.

The purposes of the Bill are to build on the action that we took over the past year. We want to strengthen and reform financial regulation, as well as support better corporate governance and give more rights to consumers. The Bill ensures that prudential regulation and supervision of firms is more effective. It will place far greater emphasis on monitoring and managing system-wide risks and will tighten the powers available to the FSA on the remuneration of banks, which is important for financial stability, as well as providing consumers of financial products with better support and protection. Our central objective must be to ensure that as we come through these problems, we reform and strengthen the financial system and rebuild it for the future.

Mr. David Heath (Somerton and Frome) (LD): Is there not another set of players who could put pressure for good governance on the financial institutions? I mean the credit rating agencies. If they were to take adverse conclusions from short-termism, as evidenced by excessive pay or bonuses or by over-complex financial products, it could have a strong effect on the various financial institutions. Can the Chancellor encourage the agencies to do that, and if they will not—because they are paid for by those same businesses—is there any way of bringing them within a regulation process?

Mr. Darling: The hon. Gentleman raises a very real issue. He will recall that in 2007 there was a great deal of concern about the role of credit rating agencies, especially in rating the products that had managed to get the system into so much difficulty. I shall shortly be touching on EU proposals to make sure that credit rating agencies are supervised on a Europe-wide basis, because by their nature such agencies operate across several countries, so regulation by one country alone would not be sufficient. That is a major step forward, but America has to do the same thing, because credit rating agencies are based there too—indeed, sub-prime products and certain other products emerged from that side of the Atlantic. The hon. Gentleman makes a strong point.

I want to say a few words about the UK regulatory architecture, which is one of the areas on which there is a difference between the two sides of the House. I may be able to anticipate one of the arguments that will be advanced from the Conservative Benches about the architecture of our present system of regulation. To attempt to blame what has happened in the UK on our system of regulation, or the architecture or set-up we have in this country, does not hold water. If we look around the world, we see that just about every country has been affected by the problem, and whereas in this country we have two bodies responsible for regulation—principally the FSA, but also the Bank of England—most countries have rather more. In the United States, for example, several different organisations are all involved in the business of regulation. As I said when we discussed the matter briefly in the Queen's Speech debates last week, the US is trying to address that issue.

Every country's system has encountered problems, but what matters—certainly in my experience—is what the regulators actually do, and the judgments that they exercise. I strongly believe that any changes to the system need to build on experience and to address areas in which there have been deficiencies. The changes need to be practical and workable, which is why I am not persuaded about upheaval in the regulatory regime, or that bringing everything together in terms of monetary and regulatory policy for institutions large and very small makes any sense.

Obviously, the functions of institutions—the central bank, the financial regulator, and finance and economics Ministries, which in our case means the Treasury—are central to the maintenance of financial stability in just about every country. The organisational relationship we now have in the UK—involving the FSA and the Bank, which is responsible for financial stability too—is much simplified compared with what we had, and we can build on it.

Mr. George Osborne (Tatton) (Con): The House is less heated than it often is when we have these exchanges, which is a good thing, so may I ask the Chancellor in all seriousness whether he agrees that there seems to be a trend in many countries to try to put the central bank back in charge of prudential supervision—where it is not already in charge? I am sure the Chancellor has met Stan Fischer, the Governor of the central Bank of Israel and also former chief economist at the World Bank. He says:

"It is very likely that prudential supervision will return to central banks when the lessons of this crisis are drawn."

Jacques de Larosière—the architect of the European changes—says that

" in our present world it's good to have the central bank in charge of supervision."

Although of course there were many problems in many different regulatory regimes, one of the emerging consensuses after what has happened is that central banks need to be in charge of prudential supervision.

Mr. Darling: I agree with the hon. Gentleman that this is not a case where there is a definite right answer, although there are plenty of definite wrong answers. This is not a case where I am saying "Absolutely" from the start, so I think he is mistaken—I am not saying that

[Mr. Darling]

at all. What I am saying is that we have made a distinction regarding the functions of the central bank, which essentially involve monetary policy—obviously—and macro-prudential issues, where the bank needs to take an overview of what is going on in the economy in terms of its monetary duties and financial stability.

A single organisation that deals with monetary policy and with some of the bigger macro issues, and which is responsible for the individual regulation of banks large and small, as well as of financial advisers, some of which are very small indeed, makes no sense. There are frequently times when it would be very tempting to tell one person, "You're in charge of the lot—sort it out. If you don't, everything will be your fault and you'll have to make way for someone else." However, we have to remember that when the Bank of England was responsible for the larger banks years ago, there were far fewer of them. They were also all very British, in the sense that they were based here and the people we had to deal with were here, not spread throughout the world. However, the Bank of England never dealt with the insurance companies, it could not deal with what happened in the '80s, when we saw the growth of bank assurance, and it could not and never did deal with some of the other financial institutions that can affect financial stability.

We can argue where we should draw the line, and wherever we draw it there will be anomalies. However, the system that we have—we should remember that the FSA took over from about nine different self-regulatory organisations 12 years ago—represents a sensible way to proceed. It is easy for the FSA and the Bank to work together, and the Treasury will always be at the table in times of crisis, for the perfectly obvious reason that any rescue will have financial implications. However, I honestly do not believe that bringing everybody under the same roof—it would be a very large roof indeed—makes any sense.

The hon. Member for Tatton (Mr. Osborne) mentioned Jacques de Larosière, who was asked to produce a report for the European Union, and I wanted to touch on that earlier, because the House will be interested to know where we have got to. In Europe we will not, of course, have a single regulator. De Larosière suggested, first, that there should be a council for financial stability, which is advisory, and that is fine. The European Central Bank clearly has a view as to what is going on in Europe, but of course, its relationship is not the same with every country, for perfectly obvious reasons. De Larosière is also setting up three agencies to look at different aspects of the financial sector. All that sits together with the individual national regulators, and that in itself—the hon. Gentleman and I might have more common ground here—is problematic, shall we say? We are trying to solve some of these problems, but they are there.

Mr. Osborne: On that point, I should mention that Jacques de Larosière took part in a meeting with my hon. Friend the Member for Fareham (Mr. Hoban). The Chancellor dwells on his views, so let me tell him what he said:

"Personally, having the experience of seven years at the Banque de France, and therefore also the chairman of the Commission Bancaire, I really think that in our present world it's good to have the central bank in charge of supervision. Because it is in the market every day…So personally, not as the author of the report"

—the Conservative party's report—

"I would very much support your proposals."

Mr. Darling: I am glad that the meeting with Jacques de Larosière was so convivial. As he was discussing the Conservative party's proposals, I was not there and I am in no position to comment on what he said. All that I would say is that having seen his report, I think that there are still issues that need to be resolved in terms of what can be regulated at a European level and what is regulated here.

In the United Kingdom we have a very complex financial services industry. Many of the banks operating in this country are regulated in different parts of the world even though they have major presences here. We have the banks and we have the insurance companies—we have a wide range of institutions. On the basis of my own observations and my experience over the last two and a half years, I would think long and hard about putting all those bodies under an organisation that was regulated ultimately, I suppose, by the Governor of the Bank of England, no matter who that happened to be. I would also worry—this is not just my worry; it has been repeated outside the House—that if we made the changes that the hon. Gentleman proposes, there is the risk that someone may take their eye off what they are supposed to be doing, and we get into difficulties, although I know that the hon. Gentleman has given assurances on that subject.

The structure that we have with the Bank and the FSA is the right one. We are not going to agree on that, and there will always be an argument as to where we draw the line. However, I draw it on a purely practical basis, because the most important thing that we need to keep in mind is not so much the architecture. At the end of the day, we can make any organogram work, but what matters is whether we know what is going on in the first place, and when we find out what is going on, whether we make the right calls and see the process through. If we get that wrong, it really does not matter how we have brigaded all the regulators. The most important thing is making the right calls.

Ms Sally Keeble (Northampton, North) (Lab): Will my right hon. Friend comment on an issue that has been of some concern to me? If we return all the supervision to the Bank of England at a time when quantitative easing is going on as well, the Bank would be trying to do two things: it would be trying to reflate the economy at the same time as it was trying to supervise the institutions involved. There could be a real conflict of interest over what the Bank was doing.

Mr. Darling: That could be the case, but the Bank's principal responsibility for 10 years related very much to monetary policy, and quantitative easing is part of that. I worry what we would bring to the issue if we simply backed the FSA into the Bank of England, other than that one person would nominally be in charge of the whole organisation.

As I have said, I understand the case that others make, but I approach it from an entirely practical perspective and regrettably—I use the word advisedly—I have had a lot of experience of this issue in the last two

and half years. I have observed first hand some of the do's and don'ts, and I may set them down one day—[Hon. Members: "Ah!"] Some of my proposals and the lessons that I draw are reflected in the Bill. I do not want to labour the point; I simply think that the proposal to put everything under the Bank of England is inherently risky, and I would not do that.

Mr. Mark Field (Cities of London and Westminster) (Con): I agree with what the Chancellor says, broadly, about the practical application. However, in what he said to my hon. Friend the Member for Tatton (Mr. Osborne) he recognised that there is a fundamental difference in the outlook of the Labour party and that of the Conservative party. Is he not concerned that the increase in the FSA's powers proposed in the Bill comes at a rather strange time, given my party's commitment to get rid of it? How will we able to employ the brightest and the best to take on these new powers if the sword of Damocles will be hanging over the FSA in the—probable, I hope—event that we have a Conservative Administration before too long?

Mr. Darling: I do not really think that that is a problem of my making. However we organise things, we need to ensure that the regulator has sufficient powers, and I would like now to say why it needs those new powers, because I think that they are necessary no matter what we do.

Stewart Hosie (Dundee, East) (SNP): Will the Chancellor give way?

Mr. Darling: May I make some progress before coming back to the hon. Gentleman, or does he want to ask me a generalised question?

Stewart Hosie: I agreed with the Chancellor when he said that the difficulty was not the structure but whether someone takes their eye off the ball—but I hope that he can explain something. We have had Bank of England stability reports for 20-odd years. The stability report immediately before the crash in 2007 said:

"The UK financial system remains resilient…well capitalised and highly profitable."

It referred to

"strong flows into riskier assets"

and "structural developments", but it said that there had been an increase in

"the risk-bearing capacity of the system."

The entire document was filled with such comments and contradictions. So irrespective of the structure, how can the Chancellor ensure that we do not get a document from the new Council for Financial Stability that takes its eye off the ball like that, or glosses over very real risks once they are identified?

Mr. Darling: First, the hon. Gentleman rather makes my point that, never mind the architecture, what matters is that the people who are charged with doing the job actually do it. They will not always get it right, but although some people say that they saw all this coming—some of whom, I am bound to say, forgot to tell anyone else that they could see it, but I am sure that they could—it is important that we have regulators and supervisors who do the job.

Secondly, the Bank of England or the FSA produce reports at the moment, but the reports can just lie there. Of course, many reports were acted upon, and many of them picked up in one way or another, but one of the things that I want to achieve through the Council for Financial Stability, which I shall come to in a moment, is a more formal process, so that when the Bank of England publishes its six-monthly reports, the council—the FSA, the Bank of England and the Treasury—must consider them and decide what to do about them. That is a better way of holding people to account.

Mr. Andrew Pelling (Croydon, Central) (Ind) *rose—*

Mr. Darling: I will give way to the hon. Gentleman, and then I shall make some progress.

Mr. Pelling: The Chancellor emphasised the importance of international co-operation and the associated complexity. Under the Bill, the FSA will have discretion to work in that area. Obviously, this aspect of regulation is of fundamental national interest, given the impact on the City's earning capacity. Under the Bill, how will Parliament be able to scrutinise and have some control over the FSA—to the extent that important interests might have to be given away in such negotiations with European regulators?

Mr. Darling: I will come to that shortly, but I should like to do so in what I think is a logical order.

Following on from the exchanges over the past five or ten minutes or so, I have to say that it is important to formalise the relationship between, especially, the Bank and the FSA as well as the Treasury, so that we can ensure effective co-ordination. The council's draft terms of reference, which we have published today, set out the roles for each member institution. Under the Banking Act 2009, we formalised and strengthened the role of the Bank of England in protecting financial stability. We provided the Bank with a statutory objective of financial stability—it did not have that statutory objective until this year—and a lead role in dealing with failing banks under a special resolution regime. Alongside the Bank's responsibilities for monetary policy, liquidity, the oversight of inter-bank payment systems and its role in monitoring the financial system as a whole, that will give the Bank an enhanced supervisory role, as well as a role in assessing a firm's resolution plans—living wills, as they are commonly known—because it should also have that responsibility.

The FSA, which is the single regulator, brings into one place the work of up to nine different regulatory agencies that were in place 12 years ago. As I told the hon. Member for Tatton, other countries have multiple regulators. For example, Hong Kong, China and India have separate regulators for banking, insurance and securities. The US Administration are trying to rationalise a highly fragmented regulatory model. Indeed, they are proposing a council that sits on top of the regulators because, for various reasons, they think that it will take too long to try to bring together the other regulators, even if they had congressional agreement to do so. Of course, in America many of those responsibilities are devolved to individual states, thus making the regulatory regime very complex indeed.

[Mr. Darling]

By contrast, we have one regulator, and we are building on the advantages of the single regulator by enhancing the FSA's objectives and powers, to ensure that when conducting its supervision of individual banks, it takes into account the systemic risk that may be faced. That new macro-prudential element will enhance its ability to monitor, assess and mitigate risks to the country's financial stability. Of course, that sits alongside its new duties in relation to remuneration and living wills, to which I will return shortly.

As the hon. Member for Croydon, Central (Mr. Pelling) has said, this crisis has also demonstrated the need to ensure that we have international co-operation, and we need to make sure that the Bank of England and the FSA work closely together on that. Clauses 1 to 4 will set up the new Council for Financial Stability, which will be responsible for considering emerging risks to the UK's financial stability and, as he has said, to the global financial system and for ensuring that we can co-ordinate the response by our authorities.

The council will comprise the Governor of the Bank of England, the chair of the FSA and myself. It can draw on external expertise if necessary, but it will put that relationship on to a more formal, transparent and accountable basis. For the past 10 or so years, the relationship has been governed by a memorandum of understanding. I do not think that that is sufficient; it should be formal, based on statute, transparent and accountable. The authorities can then be held to account, and we can have greater parliamentary scrutiny in the House and the other place, as we set out in clause 3. Even though I suspect that the Bill will be going through the House for some weeks yet, we will ensure that the council is established beforehand, so that we can see that it is working and publish its minutes, as proposed.

Clause 5, 7 and 8 will strengthen the FSA's objectives, by providing it with an explicit financial stability objective. When conducting its supervision of individual banks, it needs to take into account overall systemic risk.

As I said, and as hon. Members have mentioned, the crisis has also shown that financial stability is not contained within national boundaries. We need a strong domestic regulatory system, but we also need co-operation. Clause 8 will formalise the FSA's responsibility to work internationally and to promote effective international regulation. It has been doing that already, particularly in relation to the colleges of regulators, which have been established over the past couple of years, to ensure that some of the larger institutions that span several countries are monitored by individual regulators, so that they can see what is going on and understand the risks to which they might be exposed.

The hon. Member for Tatton asked about Jacques de Larosière's report, which will be on the Finance Ministers' agenda when we meet in Brussels on Wednesday. The European Union is trying to establish a new European systemic risk board, which will issue non-binding risk warnings and make recommendations. I believe that that is right and entirely sensible, and we will support it. Of course, that must go hand in hand with some more detailed, micro-prudential proposals on the European supervisory authorities, of which three are proposed to deal with banking securities, insurance and occupational pensions. They will have enhanced roles, but it is very important that we recognise that some things need to be done at a Europe-wide level. That makes a lot of sense to us. For example, some of our problems with Icelandic authorities would have been more easily resolved if they had come within a regime that allowed us to get hold of the situation before it reached a critical stage. There is a lot to be said for that, but it is important that certain things remain with us because, at the end of the day, in any crisis only national Governments have the resources if a rescue needs to be mounted. That is why one of our red lines is that we cannot have a situation where any of those new authorities can impinge in any way on the fiscal responsibility of member states. It is important not only that that is clearly stated—I believe that it will be—but that the mechanisms in place ensure in reality that the responsibility for any fiscal action lies with member states. That is how it should be; it is not something that can be effected even by the Commission or any of its agencies.

It is important that we get right the regime for who would have the power to declare an emergency. At the end of the day, that must be a matter for the European Council—the people who are elected—rather than for an agency or the Commission. It is also important that direct powers over firms are curtailed, so that such powers exist only where absolutely needed. Individual regulation must be a matter for the member state and for the Government concerned.

Mr. William Cash (Stone) (Con) *rose—*

Mr. Darling: I did not think for one minute that I would get through a passage on Europe without the hon. Gentleman getting to his feet.

Mr. Cash: I entirely agree with the Chancellor in his prediction. With respect to majority voting and the architecture that has been devised under the regulations, which we will debate again later this week, how is it that he can talk about national supervision, somehow giving an impression that we might be in control, when the real question is whether we are governed by majority voting in all these matters, as a result of which we will not be able to sustain the kind of City of London that we need in relation to GDP, as I said to the Prime Minister the other day? What is the Chancellor's answer to that question?

Mr. Darling: My answer is that in a world where many financial institutions operate in this country and in other European states, as well as in other parts of the world, there has to be greater co-operation. Look, for example, at what has been happening over the past couple of years or so between us, the Swiss authorities, the American authorities and the European Union. It is not in our interest to create a situation where an institution can escape the attention that it needs by going to a place where there is not sufficient supervision, but at the same time operate in countries where it can cause substantial damage. There must be increased co-operation.

Iceland is a good example. It is not in the European Union, though it wishes to join at some stage, I believe, but it is in the European economic area. One of the Icelandic banks was operating in London with its headquarters in Iceland, but we did not have sufficient levers to head off some of the problems because we did

not have the powers to do so. It could well be in Britain's interest in the future to be able to use the leverage of European supervision to try to ensure that we are not adversely affected by what we regard as a failure of regulation or insufficient regulation in another country.

It is a fact of life that the financial services industry is about as mobile as it is possible to get. The last couple of years have demonstrated that, if anyone had any doubt about it. That means that it is in our interest to ensure that there is adequate supervision at a European-wide level, but I am clear that if an institution gets into difficulties and, for example, has to raise capital from a Government because it cannot raise it on the markets, that matter will very much be the responsibility of the individual state.

Where the hon. Gentleman and I part company on this occasion is that he has an aversion to most things European. He does not accept that the world has moved on. It is now a much more complex place. That means that we have to decide on those areas where it is in our national interest to work with our European partners and those areas where we and other member states rightly say, "No, this is a matter for which, at the end of the day, each nation state has to be responsible."

Mr. Mark Todd (South Derbyshire) (Lab): I agree with all of that peroration but enter the cautionary remark that the venture of some European leaders into attempting the regulation of hedge funds and private equity is not an entirely reassuring model if one is looking for European regulation of the wider financial sector.

Mr. Darling: I am clear that we should accept those areas where it is in our interest to co-operate, but there may be other areas where that is not the case. There is a general point to be made in relation to Europe. Ten or 15 years ago, people talked about the competition between London, Paris, Frankfurt and so on. The decision that we have to make now in Europe is whether we want a world-class financial centre in Europe. The competition is now coming from different parts of the world.

It is in Europe's interest that London, principally, and the UK financial services industry is properly supervised and regulated and is in a position to carry on attracting business and doing business throughout the world. That means that we will need co-operation within Europe, with the American regulators, with the Swiss regulators and with regulators all around the world. The red line, as far as I am concerned, is that if we are talking about a national Government having to provide capital, that must be a matter for that Government. It would not be right for everyone else to visit on one Government something that may have severe financial consequences.

My hon. Friend mentions the directive on hedge funds that is going through the system. Of course there are areas where we must ensure proper supervision and regulation, but there are some people who would like to stop the business entirely. I cannot agree with that.

Mr. Pelling: The Chancellor raised the European issue too early in his speech. Surely we should have our eyes open and be aware that Frankfurt and Paris will see an opportunity to challenge London's primacy on the European markets. More importantly, unless the red lines are robust, is there not a danger of mission creep from regulators in Europe? The combination of a dirigiste approach to regulation and the past history of the FSA of putting through a lot of irrelevant regulation which, in the end, did not save us from the crisis, could mean that we have a tremendous burden of more micro-level issues than the rather grander macro issues which, as the right hon. Gentleman says, are important for European regulatory co-operation?

Mr. Darling: I agree with much of what the hon. Gentleman says. There is always a risk that we end up with national regulators and international regulators, with one set of regulations on top of another, and no clarity about who is responsible for what. There is sometimes a belief that if enough regulations are passed, the problem will be solved. Far from it—that might even create a few problems. That is why it is important to be clear about what needs to be done internationally.

For example, by proposing that we set up colleges of regulators, we cede some of our authority by saying that we will work with Americans and with regulators in the far east, but we do that because it is in our interests. We do not want a situation to arise where only one regulator has a partial view of what is going on in one particular institution. If it comes a cropper, all of us will have to pick up the pieces. It is important to bear in mind what the hon. Gentleman says, but this country has argued for constructive co-operation for a considerable time, although when my right hon. Friend the Prime Minister first raised it in the early 1990s, there were not many takers because people did not think there was a problem. As we have seen in the past couple of years, there most certainly is a problem which needs to be sorted. That case is made.

Mr. Graham Stuart (Beverley and Holderness) (Con) *rose—*

Mr. Darling: I shall give way to the hon. Gentleman, then I shall move on to a different topic.

Mr. Stuart: Does the Chancellor see a problem with vesting regulation in the European level, rather than co-operating on regulation at the European level, when, as he rightly says, the financial costs of any failure of regulation will fall wholly on the nation state?

Mr. Darling: I would put it this way: there is much to be said for co-operation. Many of the financial institutions in this country would say that it would be very useful to have a common rule book. Then they would not have to have a different regime for Britain, France, Germany and so on. In such a case, co-operation is essential, and I would like to see that. The problem probably arises not in normal times, but when there is a crisis. Then we must be clear about who and what triggers that emergency and who decides what needs to be done. At that point, particularly when it comes to fiscal consequences, which is essentially a matter for national Governments, they must be clear that it is they who make the decision.

As I have said to hon. Members in the past, we naturally look at these matters from our point of view, and sometimes look at it only in terms of what we would do if we were on the receiving end. I can easily envisage a situation some time in the future when we will want Europe, if it can, to put pressure on a regulator

[Mr. Darling]

in another part of the European Union to do something about one of its banks. That could have a knock-on effect on us. The point is that co-operation is needed, but we must be clear who is responsible for what.

I shall deal briefly with other parts of the Bill, which may or may not be of interest to the House. Clauses 14 to 17 give the FSA greater disciplinary powers to suspend individuals and firms for misconduct. In clause 13 we are introducing a power to give the FSA power to ban short selling. The ban that was imposed in September 2008 was based on the market abuse directive. It is better that it should be based on the Financial Services and Markets Act 2000, which is what we are doing.

Stephen Hammond (Wimbledon) (Con): The Chancellor is right that that is being done through the FSMA, but the powers on short selling are being vested in the general market abuse rules in that Act, implying that any short selling is a market abuse.

Mr. Darling: The Bill does not say that, and that is not my view. When the ban on short selling was introduced last year, I made the point that we were not saying that short selling was bad per se. However, in the particular circumstances and at that time, when financial stability was a big problem, action needed to be taken.

Clause 30 gives the FSA greater powers to gather information, and clause 11 allows the FSA to take powers on remuneration and, if necessary, to prohibit certain remuneration practices. They are based on the important principle that we should avoid the situation whereby the remuneration practices of firms lead to people being rewarded for doing things that eventually bring down the institutions in which they work. That is something that we and, certainly, the institutions should not forget. If too many people in a bank engage in what is, frankly, speculative trading, they run the risk of bringing down their institution. There is a clear public interest in that situation, because there would be consequences for the public purse if such practice were not properly regulated.

That part of the Bill is very important. It includes powers to implement the agreements that we reached in the G20 and those that we finally reached in Pittsburgh a few weeks ago, and it gives the FSA the powers that it needs not just to prevent such irresponsible pay, which has proved so damaging, but to implement Sir David Walker's proposals on disclosure. On that point, I can tell the House that we will table regulations on disclosure to go with the Bill.

Sir David made a number of recommendations, but I think that we go further than he suggested. We want to consult on regulations for narrower disclosure bands than he proposed, starting with salary packages below the £1 million floor that he suggested. We will consult on that idea, but most people are convinced that far more disclosure is important, because they will then be able to see precise remuneration practices.

Ms Keeble: There has been some discussion about whether the Equality and Human Rights Commission will be able to look at disclosure and the studies of remuneration to see whether there is discrimination on pay banding. Will my right hon. Friend support that idea as part of an attempt to address the position of women in the City?

Mr. Darling: I understand that the commission would certainly be able to look at that issue, and I am sure that no one in this House wants to see discrimination. People should be judged and rewarded on their merit, and that is precisely the point, because rather too many people were not judged and rewarded on their merit. Indeed, some rewarding structures seem to have had completely the opposite effect, and I am sure that there would be no difficulty with the commission doing what my hon. Friend suggests, should it wish to do so.

Clause 12 gives the FSA powers to ensure that there are resolution procedures for the larger banks and some building societies—procedures commonly referred to as living wills. It is very important that larger institutions have plans so that, if they get into difficulty, people are clear, before that difficulty arises, about what the institutions would do. That measure will help the regulators better understand what are, in some cases, complex structures—structures that have been put together for tax reasons.

The regulators will also know the resolution options that might be applied, and they will be able to consider the obstacles to such resolutions, including, for example, complexity. If large institutions get into trouble, it will be clear which regulators will take responsibility, which countries will take responsibility and how the firms will be disengaged, so that those parts that are important for financial stability are stabilised, investors' and depositors' interests are maintained and credible measures are taken to deal with any difficulties that might be encountered. That is a very important part of the Bill. The clauses may be small in number, but they will have a very real effect, I hope, on the future. We have to reduce not only the probability of a firm's failure, but the impact of that failure, should it occur.

Stephen Hammond: The Chancellor is absolutely right: that is a very important part of the Bill. However, will he explain why the Bank and the Treasury have the power to make recommendations, and to recommend action, on those plans to prevent such a crisis from occurring, yet the SFA does not have to undertake to implement the actions proposed by either the Bank or the Treasury?

Mr. Darling: I think that the hon. Gentleman meant to say the FSA; the SFA is the Scottish Football Association. At the end of the day, the FSA would have responsibility in those circumstances, but it would obviously consider what the Bank and the Treasury had to say. Unless the FSA had very good reasons, it would be very difficult for it to turn down any helpful suggestions from either body, not least from the Treasury, as the Treasury, if the worst came to the worst, would have to provide the funds. However, it would not be quite the problem that the hon. Gentleman makes out. None the less, the introduction of resolution regimes is very important. The hon. Member for Twickenham (Dr. Cable) will no doubt again advance the cause of breaking up such banks from the start, but, as I have said before, I do not think that that is right. There is a far better way of dealing with the situation.

The second part of the Bill that I want to deal with relates to supporting consumers. I shall do so fairly briefly, although it is important. It is important that we encourage people to know more about financial services and to understand the benefits and risks. Clause 6 gives the FSA the power to establish an independent consumer financial education body, which will deliver the implementation of the money guidance service from spring next year, as recommended by the Thoresen review a couple of years ago. The service has already been tried out in the north-west, and I understand that it is working. However, it is important that we can encourage people to know more about and understand the financial system, especially as it is in our interest to ensure that people save more and take advantage of financial products. That requires a certain amount of knowledge, however.

Clause 26 includes an important provision that addresses a problem that we have had for several years. There have been several instances in recent years of a large group of consumers having suffered detrimentally at the hands of regulated firms. The clause will give the FSA the power to obtain redress and compensation more easily. Basically, it allows the FSA, if it thinks that there is a problem, to implement an investigation. If the investigation uncovers a problem, that will then be remedied and a solution will be imposed.

I can think of two instances in which that provision would have been helpful: the mis-selling of personal pensions in the late 1980s and, more recently, bank charges. The FSA will have the power to do something without having to wait for court action. In addition, clauses 18 to 25 establish a new form of collective proceeding to allow for a new form of class action. I do not want to see the widespread development of such action, as there has been in the United States, so the provision is more tightly drawn. However, it means that, if there is a remedy, a class action can take place and, I hope, the matter can be resolved. That is a new development in UK law and the first example of our allowing group action in the courts for people with similar claims, but it is an important thing to do.

Bob Spink: Has the right hon. Gentleman considered, or will he comment on, the possibility of an opt-out for class actions, rather than an opt-in?

Mr. Darling: We will give the courts the discretion to allow both. I know that there is a lobby outside the House on that point, but people have the right to say, "I don't want to come into this, because it might compromise my rights elsewhere," so it is best to let the courts have the discretion to look at the individual merits of the case. No doubt that point can be argued in Committee, however.

The Bill contains powers to stop the issuing of unsolicited credit card cheques, which has proved very troublesome especially for people who do not have the means to prevent that from happening. We amend the Financial Services Compensation Scheme to allow it to act as an agent for a foreign scheme so that people do not have to go abroad to get their remedy but can go through the UK organisation. There is also a technical change to the recovery of funds when the Banking Act 2009 is used in relation to a failing bank.

The powers in the Bill are essential; they will enhance and strengthen the supervisory regime. Taken together with the existing powers in the 2009 Act, they go a long way towards having a stronger and more effective regulatory system. As I said, what matters at the end of the day is that we have, not just in this country but across the world, regulators and supervisors who are doing their job. It is vital that those responsible for running financial institutions understand what we are doing. They should not be afraid sometimes to question what is being suggested, but they should be willing to take strong action themselves to ensure that they do not get into the difficulties that we have seen over the past two years. I commend the Bill to the House.

6.41 pm

Mr. George Osborne (Tatton) (Con): Let me begin by apologising to the Chair for my not being here for the winding-up speeches. I have let the Chancellor and the Liberal Democrat spokesman know about that. In fact, I suspect that not many Members will be here, because although this Bill is supposed to be the centrepiece of the Queen's Speech, it has not exactly grabbed the attention of Parliament. That does not mean, however, that these issues are not very important.

In the past two years, we have witnessed a catastrophic failure of bank regulation—arguably the greatest failure of financial regulation that this country has ever seen—which has contributed to the longest and deepest recession in this country since the 1930s and a huge loss of national wealth. The exposure of taxpayers to £1 trillion of guarantees and capital support has required them to undertake the largest bank bail-out of any country in the world.

If we want to understand how completely ignorant the regulatory system was of the problems brewing in the financial system that were about to explode, I suggest that we remind ourselves of the Mansion House speech that the then Chancellor gave on 20 June 2007—just a few days before he became Prime Minister and just a few weeks before the credit crunch began in earnest. I was there; I sat, as I remember, alongside the Financial Secretary to the Treasury, who was here earlier in the debate. We heard the then Chancellor lavish praise on the assembled financiers, making the portentous claim that we were entering what he predicted was

"an era that history will record as the beginnings of a new golden age of the City".

That turned out to be about as sensible as his golden rule and his gold sales. I think that from the country's point of view, the less the Prime Minister uses the word "gold" the better.

Of course, the so-called beginnings of a new golden age were in fact the very end of a huge financial bubble. The regulatory system did not understand what was going on. It believed its own propaganda about a new age of stability that it had created. It did not understand the fragility of the funding models of our major banks, it was completely ignorant of the risks being run with leverage, and it was drastically ill prepared for what was about to happen.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I have been to several meetings in the City at which the hon. Gentleman has spoken. Could we have a look at

[Mr. Barry Sheerman]

some of his speeches from about the same period, which I remember also included glowing endorsements of the City?

Mr. Osborne: I am not claiming that anyone in the House fully understood what was going to happen. However, I did warn in 2006—I do not remember a single member of the Government saying this—that an economy built on debt is an economy built on borrowed time. The hon. Gentleman might remember—he probably put them in his election address—all those claims about having abolished boom and bust and the economic cycle, about how Britain was better prepared and how this was a new age of stability. If he does not remember, let me reassure him that over the next few months we will be reminding him and his constituents of all the things that were said.

The crucial point is that such was the regulatory regime of our banking system, and these were the people who were supposed to understand the risks that were being run. Although it is true, as of course the Chancellor said, that other countries have experienced some very severe problems with their banking sectors—the United States, the Netherlands, Belgium and so on—there are also examples of banking regulatory regimes that got it right. The Spanish banks are in much better shape than the British banks because the Spanish central bank banned some of the off-balance-sheet vehicles that became prolific in this country. The Canadian central bank imposed a leverage backstop, which was never considered here. The Australians, whose central bank pursued a "twin peaks" model of regulation, still have four double-A rated banks. There are examples of banking systems that got it right, while it is generally accepted that Britain's was the most exposed. Indeed, this morning we heard that Canada has come out of recession, which means that Britain is the last country in the G20 still in recession. That shows how exposed we have been.

Ms Keeble: I agree with the hon. Gentleman that there are genuine issues about people not spotting what was coming. However, the Bill is partly about supervision and regulation. In all the hearings with the Governor, I do not remember him sending out clear warnings about what was happening. There was general discussion of debt, but I do not recall people talking about the exact mechanisms that caused the problems. That is partly why I think that maintaining the FSA—of course, it has had its problems—is the right way to proceed instead of going back to a system that was itself somewhat flawed.

Mr. Osborne: The hon. Lady might remember the words of a previous shadow Chancellor, my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), who spoke for my party during the passage of the Bill that became the Bank of England Act 1998:

> "With the removal of banking control to the Financial Services Authority...it is difficult to see how and whether the Bank remains, as it surely must, responsible for ensuring the liquidity of the banking system and preventing systemic collapse."—[*Official Report*, 11 November 1997; Vol. 300, c. 731.]

Ms Keeble: I would not dispute what are clearly the facts. My concern is that the hon. Gentleman—the right hon. Gentleman—is proposing that supervision and regulation should go back to the Bank of England. I saw no evidence that more warnings came from the Bank about the crisis that was brewing than came from the FSA.

Mr. Osborne: The hon. Lady was right first time—I am an hon. Gentleman, not a right hon. Gentleman.

I am not claiming that the Bank of England got it right; I have said so in private at the Bank as well as in public. However, it did warn—not often enough, not loud enough, and certainly not much listened to by anyone—that, for example, the housing boom was developing at a pace that was beginning to alarm it.

Let me explain why I think that a change in the structure of regulation, as well as its content, would help. After everything that we have been through, it is pretty remarkable that the Government are not asking some big fundamental questions about the structure of regulation that they set up. Almost every other country in the world is proposing considerable changes to its regulatory structure. As far as I am aware, only in this country, of all the major economies that had a banking crisis, are the Government content to stick with the existing system. Of course, we know exactly why that is. Everyone knows that if Labour Members were in opposition or were not currently led by the man who was Chancellor when the system was introduced, they too would be looking at changes to the structure of regulation. They are wedded to defending the current system because it happened to be introduced by the man who leads them. The proposal was developed, completely in secret, in opposition. It was, I believe, kept in a safe in the hotel bedroom of the hon. Member for Coventry, North-West (Mr. Robinson), and deployed, without any warning, two or three days after the general election. The then Governor of the Bank of England, the late Eddie George, almost resigned as a result. There was then a hasty consultation and the measure was introduced. We are now stuck with the Government defending this system for the simple reason that the Prime Minister thinks that there will be some reputational damage to him if he admits that it has not worked very well. I have to tell him that the reputational damage has already been done.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab) *rose—*

Mr. Osborne: We are about to get the codes to the safe.

Mr. Robinson: May I just deal with the point about the late Eddie George's attitude? I was in on most of the meetings at that time—of course, the then Chancellor was in on more of them—but when the issue of the Bank of England's overall responsibility for systemic integrity was discussed, the then Governor's principal concern was that he would have enough money to deal with that, and to inject liquidity where necessary. He had in mind a ridiculously small amount of money at the time, and we gave it to him. On that basis, so long as he was left with that responsibility and had the money he thought necessary, he went along with the proposal and indeed welcomed it in subsequent speeches.

Mr. Osborne: This is not particularly fair to the late Eddie George as he is not here; however, I, too, had several conversations with him about precisely what

happened. My conversation with him seems to have been somewhat different from the one the hon. Gentleman had. The Bank of England was not consulted, and this fundamental proposal was made on the future supervision of banking. Given that we are discussing, 12 years later, the biggest failure of banking supervision, it is worth going back to that moment.

One of the reasons why I—as the current shadow Chancellor, who hopes to be in the Chancellor's job in a few months' time—have decided to publish our proposals and make a big effort to consult on them and talk to as many people as possible, including the three different parts of the tripartite regime, is precisely so that I can get my thinking right in opposition, rather than just deploying the whole thing two days after a general election, which I could of course do, following the previous model. I will come to the structure of our proposal, but also to why we think it is necessary. I will deal later with the content of regulation because I completely agree with the Chancellor that that is very important as well, but we have to look at the structure of the regulator.

We have a tripartite regime under which no one knows who is in charge and who is giving official policy. We have a Governor of the Bank of England who regularly gives interesting speeches—at Mansion House, and in Edinburgh recently; he also gave evidence to the Treasury Committee last week—on how he thinks banks should be regulated. His views are very interesting but they bear absolutely no resemblance to official Government policy as just stated at the Dispatch Box. We have a chairman of the FSA, a man of great integrity and intelligence, who says that quite a lot of the activities of the banking sector are "socially useless". I do not know whether the Chancellor of the Exchequer or the Prime Minister share that view, but it has certainly been noticed not just in the City but around the world. And we have a Prime Minister who turns up at the fag end of the G20 Finance Ministers meeting and announces to a completely stunned audience—no doubt including the Chancellor—that he is in favour, suddenly, of a Tobin tax. The United States Treasury Secretary then has to give an immediate reaction to that view, and of course rubbishes it.

So those who would ask "What's the view on financial services from the UK authorities?" would get three or four completely different views; that is how dysfunctional the current relationship is. The Chancellor deals with it much more than I do, but even my own dealings with the different legs of the tripartite regime—one group of people told me something completely different from the previous group who came to my office—suggest to me that this relationship is not working particularly well.

The answer to all this is apparently contained in clause 1, which I remind the House says:

"There is to be a Council for Financial Stability, consisting of…the Chancellor of the Exchequer…the chair of the FSA, and…the Governor of the Bank of England."

The Chancellor will be the chair of the council, which will

"keep under review matters affecting the stability of the UK financial system".

That is what the great change is supposed to be: a Council for Financial Stability consisting of the Chancellor, the FSA and the Governor. I did a little bit of research, and the memorandum of understanding that originally created the tripartite regime created a standing committee—not a council—on financial stability, which

"is chaired by the Treasury and comprises representatives of the Treasury, the Bank and the FSA. It is an important channel for exchanging information on threats to UK financial stability".

Unless Members can explain to me the fundamental difference between a council and a standing committee, it is not clear what this Bill achieves regarding the regulatory structure. Indeed, the only difference I can spot is that, according to the memorandum of understanding, at least the standing committee was required to meet once a month. According to the Bill, the Council for Financial Stability will be required to meet only four times a year, so the number of required statutory meetings has actually been reduced.

Nor is the Chancellor required to turn up to the council. Perhaps the Chancellor can confirm this for me, but I think that in the entire period when his predecessor was Chancellor—10 years: the longest time that anyone had been Chancellor for a century—he never once physically attended the tripartite committee. There was one joint telephone conversation with the US authorities and the US Treasury Secretary; that was the only time the then Chancellor took part in the meetings of the tripartite committee—on the telephone. So it is not exactly clear how this proposal will fundamentally change things.

Mr. Robinson: We do not want this Second Reading debate to become a Committee stage debate, but will the shadow Chancellor kindly explain to the House precisely how his new arrangement is going to work, involving as it does, as I understand it, a block transfer of the FSA and its head into the Treasury? Therefore, the chair of the FSA and all its huge responsibilities will be subject to the Governor of the Bank of England, and the FSA will have no chance to make its own representations separately or "legitly" to the Treasury, with whom ultimately the real responsibility in a crisis would reside. The hon. Gentleman has been talking about relationships. How is the relationship going to work between, presumably, the head of the FSA and Governor?

Mr. Osborne: If the hon. Gentleman will allow me, I will come to that in just a couple of minutes.

I want to put on the record what some other people, not just the Conservative party, have said about the proposals in the Bill. The Treasury Committee, chaired by the right hon. Member for West Dunbartonshire (John McFall), said that the proposals are a "largely cosmetic measure", and that

"merely rebranding the Tripartite Standing Committee will do little in itself".

The Association of British Insurers, one of the big represented bodies, says:

"What is not clear from the Government's proposals is how the proposed Council for Financial Stability would actually operate or what powers it would have to require the FSA and the Bank of England to pursue particular policies."

Indeed, the ABI says that clause 5, which gives the FSA explicit responsibility for financial stability—just months after the last banking Bill gave the same explicit responsibility to the Bank of England—will

"exacerbate the confusion of responsibility between the Bank and the FSA".

[Mr. George Osborne]

Indeed, the Chancellor did not address the elephant in the room: the views of Mervyn King, the Governor of the Bank, who said this to the Select Committee:

"We were given a statutory responsibility for financial stability in the Banking Act, and the question I put to you...to which I have not really received any adequate answer from anywhere, was: what exactly is it that people expect the Bank of England to do? All we can do at present, before a bank is deemed by the FSA to have failed, is to write our Financial Stability Report and give speeches."

The Chancellor mentioned the new power concerning financial stability that he has given the Bank of England, but its Governor—the other member of this tripartite arrangement—came before our Select Committee and said that he does not have a clue what the Chancellor expects him to do with it.

It is for these reasons that we have decided that we will need new legislation to bring in a new structure of financial regulation. I have to be absolutely honest with this House: it is not something we particularly wanted to do. There are quite a few economic issues that we are likely to confront if we form a Government, and revisiting financial services regulation was not at the top of our list. However, we honestly came to the view that we would have to do it, because we have to create a system that gives a clearer idea of who is in charge, and that ends these dysfunctional squabbles between the three institutions; a system under which the people in charge can exercise judgment and discretion, and through which the connection is made between the broader risks across the economy and the individual risks to individual firms. As I have said, we have spoken to many market participants and at length to the different legs of the tripartite arrangements, and we believe that that can best be done by putting the Bank of England in charge of the prudential supervision of banks, building societies and other significant institutions.

Surely we have now learned the hard way that we cannot take central banking out of bank regulation, and we cannot judge systemic risk without understanding institutional risk and vice versa. Of course the changes will require new, more collegiate arrangements for the Bank of England, but that, too, is a good thing. There is currently a rather unbalanced Bank of England that is collegiate on monetary policy and quite imperial on financial policy, of which the Chancellor no doubt bears the scars. We therefore propose a more collegiate approach. The whole point is to ensure that monetary policy, the supervision of financial stability and the regulation of individual institutions are better co-ordinated.

When we discussed these matters in TV studios and the like, the Chancellor used to say that no one in the world was proposing to do what we were. Of course, he does not say that any more—I shall come on to his current argument—because he knows that it is not the case. Across the world, countries are coming to the same conclusion that we did. I mentioned Stan Fischer, the governor of the Bank of Israel, and it is worth remembering his reason for what he said. He did not just say:

"It is very likely that prudential supervision will return to central banks when the lessons of this crisis are drawn."

He also said at Jackson Hole, at the conference of central bank governors:

"Information flows are critical, and the plain fact is that information flows more readily within an organisation than between organisations—which is one of the reasons to have prudential supervision within the central bank."

That is a former chief economist of the World Bank and first deputy managing director of the International Monetary Fund, currently a central bank governor, and his view is shared by a whole host of other people. Another example is the current governor of the Bank of France, who said:

"Indeed, one of the main lessons of the crisis may be that those countries where central banks assume banking supervision took advantage of their ability to react quickly and flexibly to emergency situations."

I have already quoted what Jacques de Larosière has said explicitly about the Conservative proposals—that he supports them. The Bundesbank in Germany is now taking control of prudential regulation of banking, and the Belgian central bank is doing the same.

In the United States, the Federal Reserve is seeking to take control of the prudential regulation of important systemic institutions. The Chancellor often says that there are many regulators in the US, and of course there are powerful vested interests behind the Chicago regulator and the like. However, I remind him of what one of President Obama's chief economic advisers, Austan Goolsbee, said earlier this month—that separating banking supervision from central banking meant that a country would

"get into a 'left hand doesn't know what the right hand is doing' kind of problem in a crisis".

When asked to give an example, he cited the UK. That was one of the chief economic advisers of the President of the United States citing the UK as an example of a place where there had been a lot of co-ordination problems.

Mr. Robinson: I do not wish to labour the point too much, but the problem was not that the left hand did not know what the right hand was doing but that neither hand knew what was going on. That is not a problem of co-ordination or integration. I saw the right hon. Member for West Dorset (Mr. Letwin) nodding vigorously at the idea that information flows more easily within an organisation than between two organisations, but the logic of that is that we should merge the whole of government so that we could get information more freely. In reality, it simply is not true. There are some natural divisions where it is better to have the inevitable squabbles between organisations out in the open, so that we can all take a view on them. The Treasury should have access to two different sources: one handling monetary policy, a huge responsibility, and the other with the massive responsibility of prudential regulation. Bringing them together will not solve the problem.

Mr. Osborne: Do I believe that there is a perfect system of banking regulation? No, I do not. Do I think that all banking crises can be avoided in future? No, I do not. Do I think that we can abolish boom and bust? No, but I believe that we can create a more functional arrangement than there is at the moment. I am sure that the hon. Gentleman has seen that the current relationship is dysfunctional, and I have experienced that at first hand in my meetings with the three parts of the tripartite arrangement. If countries all over the world are learning the lesson that central banks have to be deeply involved in prudential supervision, we should learn it in the UK.

Mr. Darling: I am listening to what the hon. Gentleman says about America and the various things that have been said there, but the fact is the American Government are not proposing to merge all their regulatory bodies, because they recognise that there are practical difficulties. For everyone who says that the Fed ought to be more intimately involved in regulation, there are other people saying that it should not, and the American Government are simply not doing that. I do not understand his argument that simply by reversing the FSA into the Bank of England, all the problems that we have been talking about would not have happened. I just do not accept that.

I noted what the hon. Gentleman said about what Governors say, and as long as they are independent of Government, they will say what they want. I presume he is not proposing that, were he to get into power, the Governor of the day could not say what he thought.

Mr. Osborne: Of course the US is not creating a single regulator in the Federal Reserve, and as the Chancellor well knows, one of the major reasons for that is the enormous vested interests that stand behind the insurance regulator in New York, the derivatives regulator in Chicago and so on. The congressional obstacles to even attempting to come up with such a plan would be insurmountable. However, the US Government are proposing—and already facing quite a battle in Congress—to give the Federal Reserve prudential supervision powers over the largest and most systemically important banks. In the United States, of course, there are many thousands of banks, whereas in the United Kingdom there are many fewer than that. The US Administration have decided that the Federal Reserve needs to be involved in the prudential regulation of banks.

I have never claimed that our changes will solve all the problems, but they will at least remove the pretty substantial problem of a dysfunctional regulatory arrangement in which it is not clear that there is speedy co-ordination of action. There are huge institutional jealousies and, as the Chancellor has no doubt experienced at first hand, there are dysfunctional relationships.

We are trying to get this right, and we understand that the biggest challenge is the transition. We are therefore making a huge effort, and we have created a consultant board with people at a working level in the industry. I have the help of the former managing director for financial policy at the Treasury, who is directly helping me on devising the plan. I recently went to speak to the senior management of the FSA about it and, because of the constitutional arrangements, I am now in direct discussion with the Chancellor's officials about how to get it right.

I am very conscious that we need to get the transition right and, in the end, the decision that I faced was twofold. The first question was whether I believed the change had to be made, and I came to the view that it did. The second was whether I should then keep my decision secret, as the previous shadow Chancellor who became Chancellor did. I thought that, in the end, that was part of the problem that we are dealing with today.

There are some perfectly reasonable proposals in the Bill on the content of regulation. Having recovery and resolution plans, which are contained in clause 12, is a good idea. However, I spoke last week to the chairman of one of our largest banks, who has often made accurate observations about what is going on, and he made the point that the situation is already turning into a bureaucratic nightmare and that sight is being lost of what the living will concept should be about. There is a simple, clearly understood plan for dealing with a collapse of that particular institution, but he thinks that it will become an enormous bureaucratic operation, which will lose its clarity.

We welcome the new powers in clause 13 to curtail market abuse and those in clause 14 to suspend and penalise individual market practitioners. I suspect that the issue is whether there is an appetite to use those powers. It is worth bearing in mind the observations of the former Director of Public Prosecutions, who said:

> "Our system for regulating markets and for prosecuting market crime is completely broken. In Britain, no one has any confidence that fraud in the banks will be prosecuted as crime."

I emphasise that the former Director of Public Prosecutions said that.

We support the restriction on the provision of credit card cheques in clause 27, although I agree with the consumer group, Which?. It said last week that

> "we are disappointed that the Government has not taken further measures against irresponsible lending in the Bill."

One of the institutional changes that we shall make is creating a consumer protection agency that will bring together the consumer-regulating powers of the Financial Services Authority and the consumer-credit powers of the Office for Fair Trading in a single body. That will be a powerful new agency.

The Chancellor briefed the press about the clauses on bonuses with enthusiasm. Perhaps he can assure us, as the Bill begins its passage—it is the first day of debate—that he is confident about the legality of clause 9. I cannot help noticing that the former Lord Chief Justice, Lord Woolf, has already started to ask questions about its legality. It would therefore be good—perhaps it could be done in Committee—to have some answers from the Government now rather than waiting for a year to pass, after which some court strikes down the provision. We need to address Lord Woolf's remarks and concerns.

On bonuses more generally, we made our proposals about the coming year end. I simply remind the House that the Prime Minister promised the country that the days of the big bonuses are over. We wait and see whether that particular Prime ministerial promise will be fulfilled in the coming months.

The Bill contains some perfectly reasonable clauses, but it does not address the central issues, which the Governor of the Bank of England asked it to tackle—first at the Mansion House, then in Edinburgh and last week at the Treasury Committee. He said that the Government's provisions in the two previous banking Bills and two White Papers amount to "little real reform". He challenges us all to address what he calls the

> "too big to fail issue".

He is right to challenge us about that. My view is that some of the riskiest investment banking activities, such as large-scale proprietary trading, do not sit easily with retail deposit taking. However, I also take the unashamedly pragmatic view that any structural solution to the problem should be enforced internationally. In the meantime, we should use capital rules to provide new safeguards.

Ms Keeble: The hon. Gentleman refers to changes in the structures. There was always a financial stability power or function, though one could say that it was not used. There has been much discussion of the holy grail of the macro-prudential tool to go with the financial stability function. Has he identified such a tool, other than capital ratios? Who would operate it? That seems to be the missing bit, about which the Governor of the Bank of England has been talking.

Mr. Osborne: I happen to believe that the main tools are capital ratios, which operate as far as possible counter-cyclically—or at least not pro-cyclically, as they seem to do at the moment—and that the standards should be set internationally through Basel, the Financial Stability Board and so on. If that can be achieved internationally in the next few months, we should get on and do it. A bit of a risk is emerging—we are applying capital rules in a pro-cyclical way and risking a second credit crunch in the next few months. That deserves closer observation. The most useful thing that could emerge from the G20 process is some sort of international agreement on capital rules. We should want London, Edinburgh and so on to be homes of globally successful financial businesses. We want Britain to be the home of wholesale financial services in Europe, but we also want to protect the British taxpayer. The best way in which we can do that through macro-prudential tools and capital rules is by trying to achieve some international standards. I therefore agree with some of the public comments that the Chancellor made about what we want to achieve through the forums I mentioned.

However, there are some worrying developments. The Chancellor talked about some of the European proposals. It is not clear that the alternative investment fund managers directive as drafted is in the UK's national interest. It will drive the hedge fund industry—at least, significant parts of it—to Zurich. I think that the Government have finally woken up to that and are fighting a bit of a rearguard action. The Chancellor raised national sovereignty or the right of a national Government to have their say about whether there should be financial support, and I completely agree with him. However, the conclusions of ECOFIN do not seem to be replicated in the documents that have been produced. Those matters require the Government to be extremely active and aggressive in fighting for the UK's interests and trying to get an international or European playing field that is in this country's national interest. I think that the Treasury could present its arguments more aggressively.

Mr. Cash *rose—*

Mr. Osborne: Just before I give in—*[Laughter.]* That is an appropriate remark given that my hon. Friend wishes to intervene.

Mr. Cash: I am sure that my hon. Friend will not in any way give in on my point, but I hope that he will at least take serious account of it—I have raised it with him many times. It comes back to what I put to the Chancellor: in a situation in which majority voting prevails, if the architecture and the final decision—in other words, the control rather than who is in charge—turns on the European structure, does my hon. Friend agree that we must show today and in our debate in a couple of days that we will not fall for the argument that we do better through the City of London being in the European architecture? Majority voting means that we will be consistently outvoted. That is where the power lies and I hope that my hon. Friend accepts that that is a serious matter which needs to be considered.

Mr. Osborne: I agree that, having established the red lines, we need to make their existence clear in the directives and new institutional arrangements. I want the Chancellor to insist—because the issue may arise before the election—on his view that national Governments must have the final say, with the right of veto, over the decision to commit national taxpayers' resources to supporting a bank.

I must also note that allowing the French to take the Commission job on financial services, for which they were clearly bidding from the beginning and was doubtless part of the horse-trading that ended in some of the other Commission arrangements, may turn out to be a serious diplomatic mistake. One goes only on the briefings in newspapers, but as far as I understand it, the Prime Minister and Lord Mandelson were against the appointment, we were told that it would not happen and that the President of the Commission would split the jobs. Then, lo and behold, Monsieur Barnier emerges as the person in the Commission responsible for financial services. There is an understandable French objective to get some wholesale financial services to France and away from Britain. I am not sure that that is in the UK's national interest. Perhaps one day, in the Chancellor's memoirs—the bits that are not in the Bill; let us hope that there are more interesting bits—he will explain exactly how it all came about.

Let me draw my remarks to a close with a final observation. Of course, the route to protecting the British taxpayer will never be some new banking Bill or a new European directive. What we need to deal with are the root causes of the credit crunch, and those are the huge macro-imbalances in our economy. We were not the only country in the world with those imbalances, but they were worse here than anywhere else. Lord Turner put well it in his report when he said that

> "rapid credit expansion was underpinned by major and continued macro-imbalances, with the UK—like the US—running a large current account deficit".

The truth is our households were more indebted, our banks were more leveraged, our housing boom was greater and our Government budget deficit was larger than almost any other country in the world. The extraordinary thing is that the then Chancellor thought that this period was one of stability and an end to boom and bust. We are living with the consequences of that hubris today. It is why Britain is the last country in the G20 to still be in recession.

So this Financial Services Bill is tinkering at the edges. We need to end the dysfunctional tripartite regime; we need a new system of regulation that puts the Bank of England in charge; we need to address the issues that the Governor of the Bank has raised; and we need an international regime better to protect taxpayers while ensuring that Britain remains competitive. Above all, we need to move from an economy built on debt and highly dependent on the success of financial services to an economy built on savings that is home to successful financial services and to other successful industries.

This Bill cannot do that, and nor can this Government. That is why we need a new Government and, eventually, a new Bill.

7.22 pm

Dr. Vincent Cable (Twickenham) (LD): The legislation before us today is substantial, unlike some of the other legislation listed in the Queen's Speech, and it deserves detailed attention. There is much in it with which I would agree, but we need to examine whether it is all necessary, and what is omitted from it. I will probably devote more of my remarks to the latter part of the Chancellor's speech, in which he properly addressed consumer protection issues; although I agreed with much of what the hon. Member for Tatton (Mr. Osborne) said, I noted that in his 40-minute speech he did not refer once to the consumer issues, which are actually rather important.

The Chancellor started with the big picture, and I have several broad points to make about that. We now have relative stability in the banking system after its collapse and its rescue by the taxpayers. I do not wish to repeat the history lesson that we have already had, but if people wish to read my version of it, the paperback edition will appear in the new year. It is a long story and many people were to blame, as were the leverage, the excessive complexity, the failures of regulation and so on. Although the situation has stabilised as a result of Government intervention, there is still serious risk in the system, and we have been reminded in the last few days of the potential risks for some major banks that can arise from one operator—in this case, Dubai World—going bust. There could be others out there. If there is a double-dip recession in our own economy or elsewhere—that is possible, but I am not predicting it—it will produce another round of bad debts. There are almost certainly problems with the overvaluation of the UK housing market and other asset bubbles which will appear, in turn, in the bad debts within the banking system. Many of those problems are not only historical problems, but potential problems.

Secondly, the big failure—as I have told the Chancellor many times—is not primarily a legislative issue but the reluctance of the Government to follow through on their ownership and control of leading banks in terms of influencing their lending policy. We had a good reminder of that last week when RBS, a nationalised bank, was able to mobilise hundreds of millions of pounds in support of an aggressive takeover of Cadbury by Kraft—as it happens, the world has moved on—while having to acknowledge publicly that it would not, by a very long way, meet its net lending obligations to small and medium companies. There has been a failure of governance by UKFI, the state directors—a failure to ensure that RBS and other state institutions meet the test of national interest. They are clearly not meeting that test.

The third general issue, which was touched on by the Chancellor and the shadow Chancellor, concerns the structural problems. I do not want to reopen the argument about whether the banks should be broken up or not—I will leave the Chancellor to debate that with the Governor of the Bank of England, who happens to share my views on that point. Several pragmatic steps are being taken, such as the living wills proposals, the build-up of revised capital adequacy rules, which take account of very large institutions that are too big to fail and too big to save, and trying to put over-the-counter transactions on to traded markets. All those things would reduce the risk of a "too big to fail" collapse and they are all very sensible. However, most of them depend on international agreement, which could take years to happen and may well never happen.

Perhaps I could invite the Chancellor to say whether he agrees with an alternative proposal. He may not wish to break up the banks, but as long as they remain dependent on the taxpayer guarantee, would it not be right and sensible to ask them to pay for it? I think that that is what the Prime Minister was trying to suggest to the G20 meeting until he got fixated on a slightly more populist line on the Tobin tax. I think that he shares our view that the banks need to pay some kind of fee for this continuing guarantee, until the "too big to fail" problem has been resolved—however that happens.

On the specifics of the legislation, I turn first to the tripartite structure. It is worth quoting the Treasury Committee, which agreed on an all-party basis when it first looked into this problem. It said:

> "Although we have concerns about the operation of the tripartite system, we do not believe that the financial system in the United Kingdom would be well served by a dismantling of the tripartite system. Instead, we wish to see it reformed with clearer leadership and stronger powers."

There are stronger powers in this Bill; the hon. Member for Tatton spoke on this point at length. I sense that there is confusion between two different issues here. One is the need for clear leadership—about which the hon. Gentleman is right—and, in relation to systemic stability, that leadership should be with the Bank of England. It is not clear that such leadership exists in the current council, because powers remain evenly distributed.

There is a difference between the issue of leadership and that of the structuring of the bureaucracy; that is the point that the hon. Member for Coventry, North-West (Mr. Robinson) raised earlier. I cannot believe that the hon. Member for Tatton can talk to people in the City—as he does a lot, and as I do—and not know that they are deeply uncomfortable with what he is proposing. I have met many deep-dyed Conservatives—who are smacking their lips at the prospect of an incoming Conservative Government cutting their taxes—who are horrified by the proposals to change the arrangements for the FSA and the Bank of England. They advance several arguments against those changes.

First, those people say that the proposals are causing enormous uncertainty. Staff at the FSA do not know whether they will have a job in six months or a year, they have taken their eye off the ball and are not concentrating on issues of regulation and supervision at a particularly delicate stage. I do not know where the hon. Gentleman has got the idea that the Governor of the Bank of England wants to be the supervisor of the Loughborough building society and many other institutions.

If the hon. Member for Tatton has ever had a meeting with the Governor, he must surely have realised that that is the last thing he wants to do, and that it would be a complete distraction from his primary responsibilities. It would also lead to duplication. The moment that integrated teams of people started working on the insurance industry—not a controversial area at the moment—some of the people would be hived off to the Bank of England and the others would be hived off

[Dr. Vincent Cable]

into another institution and, presumably, there would be two sets of insurance regulators instead of one. That is potentially very disruptive and confusing, and it is clear to me that people in the City do not want that reform.

I think that I am the only person in the House, with the possible exception of the right hon. Member for West Dorset (Mr. Letwin), who took part in the agonising process of legislating for the original Financial Services and Markets Bill back in 1999-2000. It was a terrible process, and I would hate to think that an incoming Government, if one were formed by the Conservatives, would inflict on us a similar piece of legislation. It is not necessary. There is one specific issue on which they are right, which is the need for clear unambiguous responsibility for systemic stability to be given to the Governor of the Bank of England. That needs to be there and it needs to be clear, but it does not require a vast moving around of the whole apparatus of the various quangos and all the people in them, which is completely unnecessary.

The second big issue in the Bill concerns remuneration. My question is whether such legislation is necessary. Some of the things suggested seem perfectly sensible, but do we need legislation to bring them about? As I understand it, the basic principles are set out in the FSA code of practice, which was quite a weak document, introducing guidance rather than principles and removing a lot of companies from its arrangements. I would simply ask the Chancellor whether it is possible to ensure that remuneration practices are tightened up by issuing a fresh code of conduct through the FSA or through secondary or devolved legislation. Why enact primary legislation to deal with the matter, given that the FSA already has considerable powers?

Why do the Government not use the direct powers that they already have, through the semi-nationalised industries? There was an embarrassing episode a few weeks ago when it was announced that the Royal Bank of Scotland would remunerate its highly paid staff in deferred stock, and that they would not be paid for three years. It then emerged—that is, RBS admitted—that the bank would pay its staff in cash next year, which means that there was a straightforward failure of direction by the Government's directors in the banks. We do not need legislation to sort out those problems.

The other issue under the heading of remuneration—the Chancellor indicated that he would deal with this through a separate order—is the implementation of the Walker review. It has to be said—I am sure that this is true even among his departmental colleagues—that there was incredible embarrassment, in the Government and elsewhere, at the whitewash that Sir David Walker has produced on disclosure. The idea that what he calls high-end staff who are highly paid should not be individually identified is a very strange one, because we already have explicit exposure in several cases.

All the pay, bonus payments and pension arrangements of directors of public companies are declared in an annual report. Even with unquoted companies, any director paid more than £200,000 a year has to be publicly declared. We have a situation, which the Government seem to have accepted, whereby if someone is paid £250,000 as, say, the finance director of a middle-sized metal-bashing company, all their details have to be publicly declared. However, if they are in a bank, not only do their individual details not have to be declared, but their existence does not have to be acknowledged. That is an extraordinary state of affairs, given that banks are underwritten by the taxpayer.

Mr. Charles Walker (Broxbourne) (Con): Surely the difference is that there can be high earners in banks who do not hold any executive position, whereas the example to which the hon. Gentleman referred is of someone on the board of a private company.

Dr. Cable: That, indeed, is the point. Why should people who have highly paid positions in private banks, but who do not sit in either an executive or a non-executive role on a board, not be declared? Why should such disclosure be limited to directors alone, whether executive or non-executive? The principle of disclosure has already been accepted, and the kind of arguments that I have heard from some people in the investment banks—"We don't want to be identified because there's a security issue"—apply just as much to the directors of those other companies. Sir David Walker has produced an embarrassing mouse of a report that has clearly embarrassed the City Minister. I hope that when the Chancellor produces his revised direction—I am not sure what status that document has—he will take that fully into account.

Thirdly, it seemed to me that what the Chancellor said about short selling was right and appropriate, and that the changes to the legislation are exactly as they should be. We should not have a completely dogmatic, fundamentalist opposition to short selling. Short selling—dealing in stock that one does not own—may have a perfectly legitimate role in certain markets. However, there is a particular problem with banks, because banks' reserve capital—their regulatory capital—depends on share capital, which depends on the share price, and if the share price is manipulated as a result of short selling, that brings the taxpayer directly into the frame. That means that people are, in effect, gambling against the taxpayer, which is not right. It is also dangerous, and it is quite right that there should be strong regulatory powers to govern it.

Fourthly and finally, the consumer issues are important. Several of the consumer provisions in the Bill are sensible and helpful. There is the class action to avoid large numbers of people having to go to the Financial Ombudsman Service. The Chancellor cited the case of pension mis-selling, and I would guess that the same applies to payment protection insurance. There are many examples of how the procedure could be simplified, and it is good that there are to be stronger disciplinary powers for the FSA.

The idea of having a centre for financial education is also helpful, in bringing together the different strands of activity in financial education. It is not yet clear where the money will come from, whether the centre will be independent or what the governance structure will be, but no doubt that will emerge in Committee. It is also useful to have proposed action on credit card cheques, which have been the subject of some abuse in the past. I am not quite sure what future such cheques have, because my understanding is that banks will stop using and transacting cheques. Indeed, I am not sure whether such cheques will exist in future, so perhaps we need some clarification there.

There have been some helpful submissions in the past few days from the citizens advice bureaux and the Consumers' Association, listing a whole lot of other provisions. They make the point that if the Bill is to be a round-up of useful consumer actions, why are those other things not being considered as well? There are about a dozen suggestions, but I will list only what seem to be the most important. First, there is the issue of contingent charges. Since the court ruling last week that legitimised what the banks have been doing in imposing what many regard as unfair charges on overdrafts and other things, is it not now necessary to straighten out the law? It would appear that the court ruling was based on a narrow point of law rather than an issue of principle. Should not this Bill be used to sort out that problem? There are hundreds of thousands of people, if not millions, who have lost money as a result of those unfair charges and who feel a strong grievance about it.

There is also the issue of set-offs. People are finding that if they put money into a deposit, that money is directly deducted from their outstanding loans. In effect, the banks are appointing themselves as preferred creditors, which is fundamentally wrong and unfair to the consumer. There are also issues such as unauthorised and unsolicited overdraft limits being raised unilaterally, without any consultation with consumers. Then there is the issue of the repossession of the properties of landlords—a matter in which the Government have been actively involved in the past. I had understood that the Bill would be a vehicle for strengthening legal protection for victims of repossession in such cases.

There is also the unilateral re-pricing of debt by many banks in respect of their outstanding loans, and the changing of minimum payments on credit charges at the discretion of the banks. There are many such practices, although I do not know—I am not a parliamentary draftsman—whether new laws are necessary to deal with them. What would be helpful—I make this as a practical suggestion—is if the Government could indicate which of the many proposals being made by the various consumer protection bodies are covered by the FSA, by the Office of Fair Trading or by both, which can be dealt with through secondary or devolved legislation, and which require primary legislation, so that we can understand how consumer protection in banking and finance can be brought up to date and up to scratch.

Mr. Cash: In the context of the various tiers and hierarchies of legal intervention that exist, the hon. Gentleman's pursuit of the simplicity that he set out at the beginning of his remarks, and his desire not to have too much duplication, would he concede that it would be far better if the matters to which he has referred did not end up being adjudicated in, for example, the European Court of Justice? The decisions to which he has referred would then all be adjudicated under a series of directives that would ultimately take control away from our courts and hand it over to the ECJ. Does he not see the inconsistency in his argument?

Dr. Cable: I do, but one of the problems is that what often happens if there is inadequate consumer protection in the UK and the Government do nothing about it is that European parliamentarians then try to bring in new rules at European level, and try to deal with the problem by putting it in a single market context. I do not think that the consumer protection aspects are predominantly a European industry.

To summarise, there is much in the Bill that is perfectly sensible. However, I would question whether some of it is strictly necessary—and if the Government are to embark on a wholesale review of the current deficiencies in consumer protection in respect of banks, quite a few key items are missing.

7.40 pm

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): In common with the shadow Chancellor, I would like to apologise for being unable to attend for the concluding speeches. It is a great pleasure, as always, to follow the hon. Member for Twickenham (Dr. Cable). I am pleased that he has given a general welcome to much in the Bill. Having read the Bill and on listening to today's speeches, it strikes me that a great deal will be left for the Committee stage, which is likely to involve debate on detailed complicated amendments—both wrecking and others—so I am bitterly disappointed that I have not been invited to sit on it. *[Interruption.]* I am sure that those who do have that honour and pleasure will keep me well informed about the progress they are making. I look forward to hearing that some of the problems I foresee—on short selling and on other issues raised by the hon. Gentleman—are resolved at that stage.

It seemed to me that even the shadow Chancellor, if we put aside his polemics, was broadly in agreement with the provisions and measures—certainly the objectives—in the Bill. One point on which he rather doggedly nailed his colours, his prestige and his personal pride to the mast—Labour and Liberal Democrat Members do not understand his reason for doing so—was in respect of the merger, or indeed the subordination, of the Financial Services Authority and its functions to the Governor of the Bank of England, who clearly does not want that role; at least, he has not made that clear to me yet.

Mr. Andrew Smith (Oxford, East) (Lab): Does my hon. Friend agree that the shadow Chancellor was deeply unconvincing in putting forward his arguments? As I listened to him, I wondered whether he was not in a sense giving the game away. He used a double-edged political sword against us. He said that we were defending the existing arrangements because of the Prime Minister's role in their genesis, but it sounded to me as if he was attacking them precisely because of the Prime Minister's role. Is there anything in that?

Mr. Robinson: There is a great deal in that. Certainly in the early stages, when the shadow Chancellor first came up with his idea of getting rid of the FSA and spoke in hostile tones about it, he adopted a minatory posture towards all and sundry in the City and elsewhere. On that, I agree with my right hon. Friend. However, today he seemed to be emollience personified and there was nobody in the world more reasonable than the shadow Chancellor. He was bending over backwards to accommodate everybody; he was negotiating with everybody and consulting everybody; his offices were full of representatives from the City; the FSA was coming in and the insurance industries and bankers were coming in—and, of course, the Governor of the

[Mr. Geoffrey Robinson]

Bank of England had a special place there. The shadow Chancellor would have us believe that the whole financial world agrees with him, and he quoted one or two examples of people moving tentatively, although not fully, in that direction. The situation is anything but, of course.

Mr. Todd: Does my hon. Friend agree about another problematic element in the shadow Chancellor's speech? He referred to the sensible action by some of the people he spoke to, in their giving some kind words to his thoughts, in the possible prospect of the hon. Gentleman being in a position to deliver a package of change in the future. Those in the FSA in particular may well be considering carefully how to position themselves in relation to the Opposition party and may at least be putting forward some words of insurance because of the circumstances that might develop next year, although my hon. Friend and I would join many others in wishing that that does not happen.

Mr. Robinson: I entirely agree with my hon. Friend. The one consoling factor is the fact that the shadow Chancellor will not have any prospect of implementing his proposals and causing the ructions that he clearly wants to. When he prays in aid people like Jacques de Larosière and Mr. Fischer, I wonder what supernatural financial wisdom he chooses to invest in them. I would have thought, and I put this to the Minister in his place on the Front Bench, that the House, the country and particularly the City of London should be much more concerned about another French person, namely Michel Barnier—I hope I have pronounced the name correctly and apologise if I have not. He seems to me to be a greater threat to our interests than anything from Jacques de Larosière, who was governor of the rather different French central bank in a rather different set of circumstances and with a different range of responsibilities.

I propose to look more closely to home and discuss the words of Andrew Large in commenting on the proposals. I do not want to say that he has any particular claim or any unique knowledge to be prayed in aid in any way, but he does speak with a great deal of authority, having been a former deputy governor for financial stability at the Bank of England. He wrote:

"So I am not convinced that to split the FSA and put supervision squarely into the Bank is wise or necessary, or that it would deliver a better result than the improvements under way"—

the improvements in the Bill that we debating now, which have been welcomed throughout the House. He continued:

"Changing architecture involves real risks and the burdens of migrating roles",

which I could not have put more succinctly myself. In a supplementary but relevant point, he goes on:

"Besides this, the consumer improvements suggested by the Conservatives do not require splitting the FSA in two."

That was one of the original responses. Here is a clear case for doing more on the consumer front by combining the two agencies that deal with consumer credit. That clear view comes from someone who knows the banking world pretty much inside out and where the precise responsibilities lie. He is saying that the suggestion is unnecessary and not worth the hassle, as it will create uncertainty and divisions, when what we need at the moment are clear responsibilities under—I very much agree with the hon. Member for Twickenham on this—the leadership of the Bank of England. That was very clearly agreed.

I can well imagine the late Eddie George—some of us risk taking his words in vain today—giving a different impression to different people than he gave to me on the several occasions when the current and previous Chancellors and others were negotiating with him. At the end of that obviously difficult period, I remember him saying that we had come out with a very good role for the Bank of England, with a clear Monetary Policy Committee that was transparent and accountable. He made it plain on each occasion that he still retained the overall responsibility and the lead role for financial stability and for eliminating, in so far as one can, systemic risk.

That is where we were then and I believe that that is where we still are today. Clearly, we are not going to make any impression on the shadow Chancellor, even in the emollient, consultative frame of mind that he has developed on this matter. As I have said, we have one consolation—the extreme unlikelihood of his having the chance to implement what he is proposing.

Let me briefly deal with another important matter—the provisions for the class action for consumers. I remember the issue coming up many times with consumers when I was in the Treasury and many times since: it is simply impossible to take legal action as an individual at the moment. With the best will in the world, the financial ombudsman simply cannot cope with the problem. This is a very important new step. No doubt much of the Bill will be further clarified and amended, but I believe that that is one important change to our arrangements and we should not lose sight of it.

Christopher Fraser (South-West Norfolk) (Con): Does the hon. Gentleman agree that the Bill does too little too late to deal with the fundamental problems of financial regulation, that it does not deal with his point about consumers, and that it provides inadequate protection for those who have been affected by the financial crisis? Does he agree with that point?

Mr. Robinson: I do not, but I will say that the hon. Gentleman has a point, and that it can and, I am sure, will be addressed in Committee. I hope that he will find his just place on the Committee, and that, when he does so, he will ensure that it deals with the matter that he has raised. I can assure him, on the basis of long experience of Public Bill Committees, that such changes can still be introduced at that stage.

Let me return to the only issue on which I think there is currently any fundamental disagreement in the House. I refer to the idea, apparently endorsed by the right hon. Member for West Dorset (Mr. Letwin), that information flows much more easily within a single organisation than between two organisations. I will merely say that that is wishful thinking. If we followed the logic, we would conclude that the best way of eliminating the inevitable tensions and problems between the Chancellor and the Prime Minister would be to abolish one of the roles and make the Prime Minister First Lord of the Treasury, which, indeed, is his designation. That would—apparently, at least—get rid of all the arguments, but of course it would never work.

We need those arguments. They tend to become public, and we need them to be available to the public. We certainly need them to be available to those who will make decisions based on the disputes and differences of opinion that are bound to arise. I have no doubt that exactly the same would apply to the relationship between the Governor of the Bank of England and the chairman of the FSA, in whatever guise. The idea that amalgamating them in a single organisation would get rid of those tensions, arguments and discussions is pure wishful thinking. They will still exist, but rather than emerging into the public domain they will be suppressed, and we shall have the worst of all worlds.

Opposition Members, particularly the shadow Chancellor, should bear in mind the fact that there will be many opportunities for compromise over the exact structure at the end of the day. The Opposition are obsessed with organograms and architecture, as parts of Government often become. Maintaining the FSA intact in terms of its organisation, its authority and its responsibilities would provide them with a simple line-based relationship: a dotted line to the Governor of the Bank of England, and a continuous, heavy black line to the Treasury. That is the sort of relationship that we want. It would emphasise the leadership role of the Governor, and it would avoid what will be a terrible mess when—fortunately in the very distant future, if ever—the Conservative party may have an opportunity to implement its proposals.

On that cautionary note, let me end by saying that I am grateful to have had the opportunity to speak.

7.53 pm

Stephen Hammond (Wimbledon) (Con): Given your erudition, Mr. Deputy Speaker, you will know that it was Gibbon who said:

> "History is little more than the register of the crimes, follies and misfortunes of mankind."

That really describes what has happened in the financial and economic arena over the last three or four years, and the Bill that we are discussing is about history: the recent history of the financial crisis, and the way in which we, as a country, reacted to it.

When the global credit markets started to close, initiating the credit crunch that led to a crisis of confidence, it became clear that—in both domestic and international terms—there was no stability in either the regulatory arrangements established by the international community or in those established by the present Prime Minister, then Chancellor of the Exchequer. It can fairly be said that both international and domestic regulatory arrangements failed, but it is clear to us that the greater failure of the domestic arrangements had a greater impact on our economy. There is a huge interrelationship between the financial sector, which has been one of the key drivers of economic growth in our economy, and the financial crisis. We cannot claim that the two are independent of one another.

The origins of the financial crisis surely lie in the poor understanding of financial risk that was created by financial innovation, and the inability to enable both international and domestic regulation to cope with that innovation and reduce the risks in both institutional and systemic terms. The increase in the financial risk led to greater increases in Government debt, corporate leverage and personal borrowing, which in turn led not only to imbalances in our economic system but to the present crisis in our economy. There is a direct relationship between the crisis in the financial services industry and our economic crisis. We need to understand that the implications of this Bill also involve severe and major implications for our economy.

In a few weeks' time the Government will present their pre-Budget report, and— as was made clear to all who read the newspapers at the weekend—they are determined to leave voters in no doubt that there will be tough choices for the United Kingdom. Yet again, there is talk but very little action. One of the inescapable conclusions must be that, if our economy is to recover, we shall need a thriving financial sector, and, given the crisis experienced by the financial markets, that will undoubtedly involve some changes in regulation. However, if the Government continue to do what they have always done—for which the Bill provides—they will see the results that they have seen before.

The questions for the House, and for the Committee, are these: what will the Bill do, is this reform necessary, and is it the right reform? The Government often accuse others of doing nothing while they do a great many things, but in this instance it is a matter of doing the right thing rather than doing just anything. We must ask ourselves whether the new regulatory system proposed by the Bill will be any more efficacious in dealing with a financial crisis—if there is one—than the previous system, or whether it will be less efficacious than the model set out by my hon. Friend the Member for Tatton (Mr. Osborne).

Members will recall what was said about the tripartite system by the Chairman of the Treasury Committee, the right hon. Member for West Dunbartonshire (John McFall). I saw him this morning, but he is in Europe this evening. He said that it was

> "a Rolls Royce when it sits on the shelf, turns into an old banger when it gets on the ground."

The truth of that has been clearly shown by the operation of the system.

The Chancellor of the Exchequer and the hon. Member for Coventry, North-West (Mr. Robinson)—whom I am delighted to follow—made much of the architectural changes referred to by my hon. Friend the Member for Tatton. The Chancellor maintained that architectural changes were not particularly important. However, the first four clauses of the Bill are all about architectural change, to almost no effect. I think it somewhat disingenuous, given that those first four clauses seek to establish a council for financial stability, to claim that architectural change is not important.

The council will replace the existing top-level structure of regulation: the arrangements that embed the joint responsibility for financial stability shared by the FSA, the Treasury and the Bank of England. Those arrangements are governed by the memorandum of understanding referred to by my hon. Friend. The system is very complex. When challenged by the financial crisis, we can only reach the same conclusion as the Treasury Committee, which stated:

> "We cannot accept... that the Tripartite System operated 'well'".

The Government's reaction to their failed tripartite system is to set up the Council for Financial Stability. That is an architectural change. However, the council will have the same three components and participants

[Stephen Hammond]

as its predecessor. It is difficult to see, at first analysis, how or why the new council will operate any differently. If we do exactly the same as we have always done, we see the same result. Is this just a rebranding exercise? According to the Treasury website, the detailed terms of reference are currently only available in draft. It is pretty difficult for us to be any clearer about exactly what changes will accrue.

Dr. John Pugh (Southport) (LD): I am a little unclear about what the hon. Gentleman is saying. He seems to be saying two completely different things. He seems to be saying that this is an architectural change of which he disapproves, but he also seems to be agreeing with the hon. Member for Tatton (Mr. Osborne) that it is a purely cosmetic change. It cannot be both, can it?

Stephen Hammond: Well, it is an architectural change, and the Chancellor tried to convince us that it was not particularly important, but—*[Interruption.]* If the hon. Gentleman listens to my speech, he will discover that I am arguing that it is a purely cosmetic architectural change, because the participants are the same, as is the predecessor organisation. Indeed, because none of the terms of reference has yet been set out, it is difficult to see whether any real change will result.

Christopher Fraser: I think my hon. Friend will agree that the more fundamental point is that the lack of co-ordination among the tripartite authorities contributed to the severity of the financial crisis, and nothing in the Bill addresses that.

Stephen Hammond: I entirely agree.

When the Chancellor talked about the CFS, he argued that the arrangements will increase both transparency and accountability, but any analysis of the Government's proposals reveals that potential to be fairly limited. It is not entirely clear how much transparency will be established by the Bill. Whereas under the tripartite system no minutes were published and there was no report to Parliament, the CFS will publish minutes but with a caveat that a significant proportion will not be suitable for publication. There may or may not be good arguments for not publishing the entire minutes of CFS discussions, but the Government cannot start claiming greater transparency on the one hand, and then take it away with the other. That is, at best, a significant failure.

The Bill establishes the council and gives to one of its participants a huge extension of powers. Given that it has been accepted that the tripartite system failed, why should one of the parties to that failure be given even more significant powers, especially when the Government argued that its existing powers were satisfactory? Can the Government reassure us that this new council is likely to be any more successful in ensuring prudential supervision and stability of the monetary system? Given the limited information the Government have currently laid out, it is difficult for any analysis to be able to conclude that. On that basis, my hon. Friend the Member for Tatton is right to ask the Government to explain why they have not considered abolishing the system and restoring the Bank of England's responsibility for maintaining financial stability.

Mr. Andrew Smith: Instead of focusing on substance, the hon. Gentleman seems to be obsessed with architecture. Does he support the idea of giving the Financial Services Authority an enhanced power to intervene when contracts and incentives encourage irresponsible and destabilising behaviour? Is that not the sort of regulation we need to avoid a repetition of the recent crisis?

Stephen Hammond: I shall come on to a couple of items of substance in relation to clauses 12 and 13 that will address that very point, but Ministers cannot talk about architecture and certain things not happening given the contents of the first four clauses. They need to be clear about the following point. Given that the new CFS is to be established, are the extra powers to be given to the FSA either needed or likely to make the FSA more effective? It is not at all clear that they will make it so.

Clause 12 on recovery and resolution plans—also known as living wills—is broadly welcomed. The Banking Act 2009 sets out the special resolution regime that allows failing banks to be transferred either to a private sector purchaser, temporary public ownership or a bridge bank. The stressful situation addressed in the Bill is less dramatic than the criteria set out in the 2009 Act. However, there is no concise or lucid definition of that stressful situation, and that needs to be provided. The explanatory notes set out—helpfully or not—the recovery plan as one

"which aims to reduce the likelihood of failure".

What exactly needs to be specified in that recovery plan? What exactly must an "authorised person" do? Proposed new subsection 139B of the Financial Services and Markets Act 2000 lists a lot of intentions, but very little specifics. That lack of detail is likely to undermine the good intentions behind the resolution plans.

There is provision for both the Treasury and the Bank of England to notify the FSA if they wish to indicate that a plan is unsatisfactory and recommend action, yet the FSA does not have to undertake that action. I raised that point earlier in an intervention on the Chancellor, and I acknowledge his point to me, which was, "We're the Treasury so we're all-encompassing and all-powerful, and as we're standing behind this, the FSA will have to take account of it." If that is the Chancellor's intention, however, why does the Bill not state that? The fact that it does not and that the FSA can ignore the warnings about inadequate regimes reveals an inherent contradiction in the Bill.

Clause 12 gives rise to two further questions. How easy will it be for complex financial organisations to comply with resolution plans? The FSA has already said it expects there to be some clashes and that it would simplify structures when a living will appears to be unworkable. I hope that the Minister will be able to reassure us in his winding-up speech on the definition of "unworkable" in this context, and about exactly what powers the FSA will have—and will need to have—to implement the resolution plans. I am sure the Minister is aware that the group finance director of Barclays has already indicated that it has a very complex structure of international subsidiaries and branches. In practice, how will the FSA simplify that organisation to make a resolution plan work? I am sure the Minister has the answer to that.

The Minister also knows that the G20 believes that there is a consensus emerging on the benefit of resolution plans. I do not think there is any dispute that they are a good idea, and the likelihood is that we will see some co-ordinated international actions on such plans in the very near future. Therefore, in what ways do the Government intend to take notice of that co-ordinated action proposed by the G20? Do they intend to leave this clause in place? Do they intend to say that it will become a sunset clause, so that anything proposed from the G20 can change it, or do they intend to ignore whatever the G20 might try to set out in the framework?

Clause 13 deals with short selling. As I am one of the Members who in a previous life worked in the financial markets, it is probably right that I resist the temptation to talk about any of the clauses on remuneration. There is an entirely erroneous myth that short selling is relatively new to financial markets, but prior to the change in the method of paying for bargains in the 1990s, the market had many operators who were known as account traders. These were exactly the same people as those who short sell nowadays; they bought stock they did not have the funds to pay for, and they sold stock they did not own. The 1990s marked the onset of hedge funds and the ability to "short", the use of derivatives, contracts for difference and so forth, and therefore short selling has become more widespread. However, do the Government accept the point of the Liberal spokesman, the hon. Member for Twickenham (Dr. Cable), which goes to the essence of this? It is that the FSA already has powers to introduce emergency restrictions to prevent the creation, or increase of, net short positions. It also has powers to demand the daily disclosure of net short positions. Those powers were granted under section 118 of the Financial Services and Markets Act 2000. Therefore, this Bill is doing two things. It is extending the sunset clause on the powers to act on market abuse, but the power to act on short selling could be separated from the power to act on general market abuse. The Chancellor had some words to say on the Bill and the powers granted to the FSA on short selling. However, he will know that the British Bankers Association has said:

"The placement of generalised rules on short selling into MAR"—

market abuse rules—

"wrongly associates all forms of short selling with abuse."

I am certainly not the only person who has interpreted these provisions as placing, despite the separation, the short selling rules in the general market abuse rules.

There may or may not be a case for tighter regulation, but has not the FSA already got these powers? What extra powers are needed? Do the Government accept that short selling is not intrinsically a market abuse? Short selling enables financial firms to offer hedging and market-making facilities—indeed, it allows essential market liquidity. Making liquidity in both the London markets and the international markets means that markets function. We have seen that when markets seize up that has direct economic repercussions. Do the Government accept that short selling is a tool that is not intrinsically wrong or an abuse, but just a financial tool? What is wrong or abusive is how it is used in some circumstances.

Is what the Government are doing in this Bill merely an admission that the FSA has failed to use its existing powers? A lot of market participants take that view of the Bill and think that there is no need for a general extension of those powers. The FSA's statement of September 2008 was extensive and inclusive, and the necessary powers appear to be in place. The Minister must be clear tonight as to why these proposed powers are necessary. I am grateful to have had the opportunity to make a few brief remarks. Unlike the hon. Member for Coventry, North-West, I am grateful that I will not be on the Committee, but it will explore a number of these issues.

8.12 pm

Mr. Mark Todd (South Derbyshire) (Lab): I do not know whether I shall be serving on the Committee for which some people are volunteering and on which others will be extremely disappointed not to be serving. It will consider a portmanteau Bill covering a wide range of issues relating to financial services. Thus, the hon. Member for Twickenham (Dr. Cable) reasonably said, "Well if it is such a bag, let's see what other elements might be stuffed into it." The Committee will almost certainly have before it a number of amendments suggesting the inclusion of a variety of measures, particularly on consumer protection, that might be useful.

May I run through some of the issues in which I have been particularly interested, the first of which relates to the Council for Financial Stability? I serve on the Treasury Committee and I subscribe to the opinions that it expressed: that this would appear to be a rebranding exercise, unless far greater detail is given about how this body will function. The Bill is silent on that—we will doubtless hear more in Committee. Those who miss that experience will miss out on the detailed exposition that might be given.

One of the difficulties that we face is that at the start of this crisis no institution explicitly had responsibility for financial stability, but now everyone has. The Financial Services Authority has been given it—or it will be given responsibility, should this Bill pass into law—and the Banking Act 2009 gave it to the Bank of England. I am not sure that that makes us feel much safer, partly because when everyone shares a responsibility, it is not entirely clear who is genuinely answerable for decision making—I shall discuss that later.

Secondly, I am not sure that we are very clear on what financial stability actually means. We know when it is absent—that is easy to work out; we have been through a period of obvious financial instability—but it is not entirely clear how we define "financial stability" and how we learn, institutionally, of the threats that there might be to it, which will not be identical to the ones through which we have been recently.

In any institutional framework—be it this tripartite system or the system that the hon. Member for Tatton (Mr. Osborne) proposed—the things that most concern me are how exactly it will work, and how information flows and how the allocation of the tools and responsibilities for dealing with crises are addressed. This is one of the areas where the Governor of the Bank of England has been perfectly fairly pressing the political class in this country to define its positions more clearly. If we are to allocate responsibilities for financial stability, the crucial element is to work out who does the various tasks. We are still searching for firm answers on that.

[Mr. Mark Todd]

One of the issues that concerns me most is information flow. If the FSA retains, as I believe it should, the regulatory responsibility for financial institutions in this country, the information gathered will be a crucial part of the Bank of England's carrying out of its financial stability responsibilities. I am not entirely clear that that information flow works correctly now; it is not built into law in the 2009 Act. I, like those who sat through that Committee stage, remember some discussion about whether it might be included in the legislative obligations attached to the FSA and passed through to the Bank of England.

My second area of concern relates to who exactly makes the decisions. There are trigger points during a crisis at which it is clear that one person provides information and another says, "This is what we are going to do." I am always uncomfortable about such a process. We still have some refinements to make on this.

The hon. Member for Tatton has departed to the event that will keep him away from the wind-ups, so I shall have to address the hon. Member for Fareham (Mr. Hoban) in the hope that he may pass this point on. The hon. Member for Tatton gave an exposition of the support that he appears to be getting, but some of that comes from those who, as I have said, are naturally looking to their own futures and wish to make positive remarks to what they see as a possible Government in waiting. If I were in such a role, I would not want to be dismissive or rude about proposals put to me by an Opposition who appear to be leading in the opinion polls. We have to understand human nature.

Christopher Fraser: I am listening carefully to the hon. Gentleman, but does he acknowledge that the lack of co-ordination among the tripartite authorities, as has been described, has contributed to the severity of the financial crisis we are going through?

Mr. Todd: I do not think that that has contributed to the severity of the crisis; I think it did contribute to the slightly muddled handling of the crisis at its very beginning. The report that the Treasury Committee prepared on the initial stages of the banking crisis usefully highlighted some of the difficulties of communication both between the tripartite authorities and, perhaps equally importantly, outwards to the rest of us, as they acted. I do not think that there was a proper process of public exposition of what was going on to critical market makers and to the general public.

Christopher Fraser: Therefore, if we do not tackle the structural problems with regulatory reform, there will be more ambiguity about where responsibility lies. Does the hon. Gentleman agree with that?

Mr. Todd: On that, I would side with the hon. Member for Twickenham by saying that structures do not necessarily clarify responsibility or improve communication.

I am leaving this House at the next election, so I do not mind saying one or two things that I might not have said on another occasion. I went through the painful process of observing health service reform, as I suspect that we all did—certainly those of us who have been here since 1997—and the obsession with structural reform in the health service is an exact example of the atrophy that can be produced if that obsession is followed through. We end up freezing people's actions for a period; they worry about their careers and try to work out where they will be doing their jobs and how they will carry out their responsibilities instead of doing the things that we genuinely want them to do. The Government have not been guiltless of an obsession with structures. I advise the Opposition, should they have the opportunity to implement their plans, not to follow those obsessions.

Let me turn to other positive elements of the Bill. I will be very surprised if anyone pops up in this debate and says that living wills are an unwelcome proposal. There is an issue with quite how they will be implemented, but I would probably argue with the hon. Member for Tatton, were he here, and say that part of the exercise is to tighten corporate rigour over the understanding of the structures and risks. One of the difficulties that we have seen is the extraordinary engineering that sometimes goes into corporate structures in the financial sector, which is perhaps lost on some of the board, too. An attempt to force companies into at least applying rigorously an understanding of how their organisations fit together and therefore how they might be deconstructed at some stage in the future, should it come to that, is a helpful process that they should have to go through. Yes, it is tiresome and possibly bureaucratic, but it will possibly also expose areas of uselessness and pure engineering in an activity rather than areas of functional need. It is certainly useful for the regulator to understand that process, too.

That is only one element of addressing the issue of whether such institutions are too big to fail. I, too, take the view that capital and liquidity obligations are almost certainly the key element of dealing with the "too big to fail" argument. However, I do not rule out the approach that the Governor of the Bank of England has, I think espoused—if we do not force the break-up of these institutions, we should at least structure them in such a way that taxpayer risk is more confined. If one chooses a corporate model that includes a retail bank and an investment bank structure, we should at least have some means of limiting the taxpayer liability to the service element of the banking institution that we are supporting. Such a provision is worth considering and is not developed within the Bill.

When it comes to improving corporate governance, although it is certainly true that there has been regulatory failure—those who do not think that should look at the internal audit report that the FSA produced after Northern Rock—there has clearly been behavioural failure too, which is not the responsibility of regulators but is possibly to do with the nudges, to use the fashionable term, that we try to apply to prompt appropriate action among those who are carrying out functions in our society. I assume that the new powers on financial reporting, which I believe that the Treasury will be taking, will address the Walker recommendations on risk committees, giving them a separate reporting stream in corporate governance. Perhaps we will hear more about that in Committee.

Although the regulation of remuneration, which many have commented on already, is certainly popular, it has a rather muddled parentage. In considering this Bill, we should be concerned about whether high bonuses or pay should be subject to regulation only if they increase

the risk of the institutions. That is how they should be considered; it is not for this House to consider in this Bill whether it is equitable to pay people staggering amounts for carrying out their tasks. There is a question about whether society should permit that and whether people should be taxed more, but that is a separate issue that the House should certainly consider but in a different context.

Our decision making on that should be informed, but not wholly governed, by competitive pressures. We are too easily persuaded by financial institutions saying, "If we do this, all these people will wander off and go to the United States, Switzerland or wherever else they think it might be advantageous to go"—*[Interruption.]* I am not saying that we should ignore it. We should be informed by it, but not necessarily governed by it. One point that we should be governed by, which is important and that again came up in the discussions on the Banking Bill, is the fact that we should not threaten the contractual nexus between an employer and an employee.

One element of this Bill, cited by the hon. Member for Tatton, touches on what the Government might intend if they outlawed certain pay and remuneration practices. Although I would not subscribe to the view that our problems have stemmed wholly from a failure of regulation, there are ways in which we can encourage rational and prudent behaviours and discourage the opposite. These include addressing remuneration models and strengthening risk governance and reporting. They should also cover strengthening the capability of non-executives and the robustness of the relationship between shareholders and the board.

One of the saddest elements of listening to the evidence given in the Treasury Committee has been listening to banks talking about their interaction with shareholders. Perhaps the most telling remarks were those made by representatives of HSBC, who related how they were strongly criticised by shareholder representatives for their conservative models of banking. Shareholders also totally ignored some of the evidence that lay before them of extraordinary risk: the ABN AMRO acquisition was endorsed by RBS's shareholders. It is worth thinking carefully about how shareholders can be better empowered and informed in making critical decisions about their interest in companies.

Let me turn to clause 6, which has not yet received any attention and which covers the education role of the FSA, establishing a new consumer finance education body. I strongly welcome the operational separation of the FSA from the education function and the broadening of the governance of that critical activity, which I take to be the implication of setting up the board. Presumably, the body will absorb all the FSA's function in consumer education, including the work carried out by PFEG—the Personal Finance Education Group—in schools. It is worth commenting on the FSA's view of how it carries out those functions now.

In an exchange between Lord Turner and me in the Treasury Committee last week, I pointed out that the FSA had certainly caught "targetitis". A huge screed of targets have been set for achievement in financial education, but if one glances through them to try to make sense of their qualitative elements—in other words: what difference are we making by doing what we are doing?—the report is almost entirely silent.

Dr. Pugh: The hon. Gentleman may have noticed that the Chancellor of the Exchequer referred to the fact that such schemes were being trialled in the north-west. It would be interesting if he could tell us exactly what the quantifiable results of the trials were.

Mr. Todd: The hon. Gentleman raises an interesting point, on which I cannot enlighten him. I can say that if one glances through appendix 7 of the FSA's annual report, one finds an example of the way it reports targets. It was set a target of reaching 516,000 children in England with a learning money matters project and reported that it had exceeded the target by reaching 742,500 children. As far as I can tell, that figure seems to be the number of schools to which the FSA sent material multiplied by the number of pupils who were presumably in those schools, so one wonders whether the word "reach" is appropriately applied to such a limited and—from what I know about the distribution of the packs—doubtful link to a school institution. There is a lot more. I picked only the first two targets.

A lot of money is being spent on that objective and more is to come, so clear quality indicators are required, showing what difference has actually been made by providing those services. No one doubts that providing financial education for children and for consumers at large is very important, but what I have seen is of relatively limited quality. Quite often it is fancy stuff; as an MP, I should be proud to give it to constituents, but I wonder whether they would actually use it. I have repeatedly raised concerns about the issue, but have not been satisfied, so if the measure improves the governance of the programme, I shall be delighted.

Finally, I welcome the measures on facilitating collective proceedings by consumers. It is an important step. I note the concern of the banking industry and its opposition to the proposal, but I merely note it—they would say that, wouldn't they? We should obviously listen carefully to detailed representations, but we should press ahead on the principle. We are dealing with complex products and services, and without the aid of a representative body the ordinary consumer at large is often ill-placed to pursue a complaint against a financial institution. Giving consumer groups a clear role would leave it far less to chance that well-informed and resourceful consumers will sometimes win through in the end. I represent someone who has been fighting their way through energy issues—an almost equally complex area—and it is a delight to deal with someone who is really getting to grips with the detail. However, the experience has left me feeling that vast numbers of people do not have the time, expertise or will to go through such a process. That definitely applies to the financial market, so if collective action is to be the first step, I welcome it.

There is a lot to welcome in the Bill and I very much hope that we will be able to pass it before Parliament is dissolved.

8.33 pm

John Howell (Henley) (Con): I want to return to the subject of architecture. I looked in some detail at the *Official Report* of the Queen's Speech debate on the economy in the other place, and particularly at the remarks of Lord Myners. It was difficult to see where he was departing from the view that the financial architecture was important; indeed at one stage, with

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consummate cheek, he accused the Conservatives of not being good at seeing the big picture of financial architecture and economic challenge, so I wondered whether the Chancellor's comments earlier, when he tried to downgrade the importance of the architecture, expose something of a rift between him and the City Minister.

There is no better example of the Government's failure to see the big picture and the need to change the financial architecture than the Bill. It is a superb example of how the Government have failed to see that the crisis has made the need for a big picture change more necessary than ever. They fail to realise that it is no longer the case that just a bit of restoration to a slightly damaged canvas is required—changing the artistic imagery slightly. Instead, we need a new canvas. Instead, what we get in the Bill is detailed draftsmanship and micro-management to hide the fact that the proposals introduce little substantive change to the overall regulatory architecture of the financial sector. That is largely concealed behind quite profound changes in consumer protection and consumer action, with many of which I, like the hon. Member for South Derbyshire (Mr. Todd), agree.

In summing up in the Queen's Speech debate in the House of Lords, Lord Myners said that the Bill would ensure that the financial system was

"rebuilt on a stronger...footing",—[*Official Report, House of Lords*, 25 November 2009; Vol. 715, c. 464.],

continuing the image of architecture that has pervaded the debate. That may be his aim, but it is difficult to see how this Bill rebuilds anything. He has presumably forgotten that architecture is relevant only if the building has strong foundations, and that merely slapping on a coat of paint and papering over the cracks does nothing.

Christopher Fraser: Does my hon. Friend agree that the way in which the Bill is structured leads to more ambiguity about where responsibility lies, and does not tackle the fundamental problems?

John Howell: I do indeed agree, and I thank my hon. Friend for his intervention. I will say something about that in a few moments.

The Bill does nothing fundamental about those issues, as is demonstrated by the fact that it has at its heart the preservation of the tripartite system, albeit that that system will be enhanced by more regulation. I was interested in the comment by the hon. Member for Coventry, North-West (Mr. Robinson), who is no longer in his seat, that there is risk in changing the financial architecture. I agree; indeed, there was a risk in changing the architecture to the tripartite system in the first place, and the results are now coming home to roost. The question is not whether there is risk involved, but how that risk is managed. That goes to the point that my hon. Friend the Member for Tatton (Mr. Osborne) made about how the new structure would look under a Conservative Administration.

As so often with this Government, there are only two tools in the toolbox. The first is the target culture, which is seen here in the role of the FSA, and is pursued elsewhere through the declaratory legislation of the Child Poverty Bill and the fiscal responsibility Bill, which will encourage special interest groups to drag the Government through the courts when targets are not met, until economic policy decisions will inevitably be taken by judges rather than Parliament.

The second tool in the box is regulation, of which the Bill before us promises much. As with so many other Bills that rely on regulation, however, we debate it in a vacuum and we do not get to see the regulations into which the substance of the Bill has been hived off—sometimes not even in Committee. I therefore ask the Government to outline the timetable for producing the draft regulations associated with the Bill—particularly those on collective proceedings—and to ensure that they will be available to the Public Bill Committee, because I am volunteering to serve on it, given the fundamental nature of the Bill.

There is every indication that the Bill has been rushed through without as much thought as it deserved, notwithstanding the recent White Paper. Although there was consultation on the White Paper, I am struck by the number of organisations that have complained at the lack of consultation on the detailed proposals in the Bill. Clifford Chance makes that clear in an article in *Lexology* on 24 November, in which he says:

"There was relatively little consultation on the proposals...and there was a limited opportunity for interested parties to debate them."

Maggie Craig of the Association of British Insurers is quoted in an ABI press release as saying that she is

"alarmed this is being rushed through without proper consultation with industry. This is too important not to get right."

The lack of consultation is implicit in the comments from PricewaterhouseCoopers partner Jon Terry about the unintended consequences of the clauses about the power of the FSA for contracts, and about the distraction that those could cause when it comes to ensuring that risk is properly taken into account.

As other hon. Members have asked, why do we need a law to bring the Chancellor, the Governor of the Bank of England and the head of the FSA together, when there is a mechanism for doing that already? The answer was provided by a nameless Treasury spokesperson who was quoted in the "FT Adviser" website article. We now find out why the Bill is required. He is quoted as saying:

"We will be replacing the existing structure of the Tripartite arrangement where we meet strictly on an ad hoc basis and never publish any minutes of our meetings and never reporting to Parliament. Now they will be formalised and just like the Monetary Policy Committee they will have formal minutes."

Well, there we have it—the real purpose of the Bill and its real impact. The Bill is required because the Chancellor, the Governor of the Bank of England and the head of the FSA cannot keep minutes. The real title of the Bill should be "A Bill to make provision amending the Financial Services and Markets Act 2000 and for the installation of good practice in minute keeping by the principals in the tripartite system."

I am sure that we will all now feel much safer because of that—but things get worse. The Government's response to the House of Lords Economic Affairs Committee recommendation on the new tripartite system is that the new council will replace the existing memorandum of understanding. It clearly has no real Executive functions. As my hon. Friend the Member for Wimbledon (Stephen Hammond) said earlier, this is nothing more than a

rebranding. It fails to address the serious concerns raised by many people, such as Professor Wood of the Cass business school, that

"the tripartite structure is fundamentally defective."

He continued:

"Everyone made mistakes...but it is quite clear that the actual structure of the regulatory system was not satisfactory before the crisis."

So I am left with four questions for Minister to answer on that part of the Bill. First, does he not accept that there was at best a lack of co-ordination between tripartite members, and does he really believe that the Bill will fix the problem? When meetings are so formal and the structure so inflexible, how will the system operate in a crisis? Any company that faces a new structure will at least have done some comprehensive modelling of what the new structure would be like, and those who take a proper risk approach will have done some modelling of how it would work in a crisis. Surely we should expect the same diligence to be undertaken by the Government in relation to what they propose in the Bill.

Secondly, does the Minister accept that the Bill will introduce more ambiguity about where institutional responsibility lies? My hon. Friend the Member for South-West Norfolk (Christopher Fraser) asked that question in his intervention. Thirdly, does the Minister accept the advice from the House of Lords Economics Affairs Committee that

"for crisis management to be effective, it needs to be clear who is in charge",

and also accept that the Bill does not answer that question? If he is unwilling to listen to advice from the Opposition, is he willing to take on board the comments of the CBI, CMS Cameron McKenna and the Association of British Insurers about the remaining confusion of responsibilities that the Bill will create?

The CBI says:

"A disadvantage of giving the FSA an explicit objective for financial stability is that this would perpetuate some of the ambiguities regarding institutional responsibilities that were apparent in the build-up to the financial crisis."

Cameron McKenna says that this

"is old wine in a new skin—merely another way of expressing the existing Tripartite authority which has not delivered the stability that is needed."

ABI says:

"We are concerned that the proposal to give the FSA a financial stability objective will exacerbate the confusion of responsibility between the Bank and the FSA".

Finally, does the Minister accept that the new role for the FSA that the Bill proposes is a rebranding exercise, without any meaning without more fundamental change? How else are we to interpret the Government's response to the House of Lords Economic Affairs Committee recommendation at paragraph 115, about the need for executive responsibility? How else are we to interpret the Government's response that the Council for Financial Stability will work essentially by reviewing publications about the problems that are happening? It does not sound as if a dynamic institution is being suggested. This is the time to give power for macro and micro-regulation and responsibility for financial stability to the Bank of England, so that we know that somebody competent is in charge.

There are two other areas on which I would be grateful for the Minister's comments in his winding-up speech. It is clear that the need to ramp up consumer protection issues so much in the Bill is an indication of a failure to take consumer protection into account in the tripartite arrangements that were put in place by the Prime Minister. I welcome a focus on the need for consumer education. There are 9 million people in the UK in serious personal debt, and British consumers are twice as indebted as people in the rest of Europe. There is very little financial education around—so little that a MORI poll from 2004 showed that only 30 per cent. of people could work out a simple interest rate calculation.

It is not only people on the lowest incomes who are likely to enter into serious personal debt. High debt can push people on higher incomes into poverty, too. We know that there is a circular link between personal indebtedness and social problems, and that debt is a cause of social problems. Recently, the Save the Children campaign calculated that the present recession has caused 5.2 million households to be classed as sub-prime, and 25,000 consumer credit applications are turned down every day.

It surely defies credibility that financial education should come from the FSA, given its record in the present crisis. I tend to agree with the British Bankers Association that this should be dealt with elsewhere and should be more fundamental. That is why our proposals for a strong new consumer protection agency are so important, setting it out as a champion for consumers.

I remain concerned about the practical implications of the use of the courts proposed in the class action proposals. Given that the courts are likely to be snarled up by judicial reviews of Government economic policy, one wonders whether there will be any room for consumer cases to be heard at all. But this is a serious issue and many commentators have commented on the fact that the proposals will create a US-style litigation culture. It would therefore be good to hear from the Minister what work has been done to show that that culture in the US has benefited customers, and what lessons have been learned by the Government in framing the Bill and the regulations that will come with it.

This is an area that would have benefited from wider consultation, to ensure balance if nothing else. I would like to hear more about how the Government see the balance which will be required between the responsibilities and the rights of consumers.

I want to ask some questions of the Government about how the Bill will relate to emerging regulations from the EU and the direction of travel in relation to the G20. I listened with great care to what the Chancellor said at the beginning of the debate about the red lines and the connection with regulation. I am not yet convinced that any of us understands precisely how those red lines will work, or how the Government's stance in the Bill will be taken forward.

I have two issues in mind. As the Minister knows, the Commission issued a Green Paper on collective redress, setting out a number of options for settling large-scale consumer complaints. That was followed by a period of consultation earlier in the year, which produced conflicting results not only on whether collective redress was desirable, but on how it should be implemented. I understand that some leading European lawyers have questioned whether, under EU law, there is a clear legal basis for consumer

[John Howell]

collective redress. I am therefore keen to know to what extent the Government have taken into account the Green Paper and the underlying consultation, and whether their proposals conflict with European law.

In September the European Commission adopted proposals aimed at addressing regulatory weakness at micro and macro-prudential level through the creation of a European system of financial supervisors and a European systemic risk board. The Chancellor covered some of that, but I would still be grateful if the Minister who is to wind up could say what the relationship will be between what the Bill proposes and what the Commission proposes.

Looking more widely at the implications in terms of the G20, concerns have been expressed that the speed with which the Government are acting in the Bill, in advance of similar proposals from other countries, is a distinct competitive disadvantage. That has been expressed mostly in terms of the power to control remuneration contracts, but also in terms of creating living wills. The CBI has pointed out the need for the consistent action that other countries are taking if we are to avoid damaging the UK's competitiveness, and PricewaterhouseCoopers has commented on how the provision as drafted may catch others whom it was not originally intended to cover. Indeed, Lord Myners dismissed that with a rather populist phrase about curbing "reckless greed", but I hope that the Minister will treat the subject more seriously and tell us how the proposals go further than merely treating the symptoms of the disease, and get to the heart of the cure, which would involve a complex culture change in the appreciation of risk—a much broader and more complex subject.

The noble Lord dismissed concerns that the UK's unilateral action would be contrary to competitiveness, stating that it was

"setting the trend and direction of global thinking",

so will the Minister tell us the likely time lag between our leadership of global thinking and others catching up and putting the same proposals into operation?

All that is important because of clause 8, which imposes a duty

"to promote international...regulation and supervision".

It also includes a duty in terms of

"the desirability of maintaining the competitive position of the United Kingdom in respect of financial services and markets."

The Library research paper on the Bill points out very effectively that the FSA is already involved in the promotion of international regulation and supervision. The paper notes that

"around 70 per cent. of the FSA's policymaking effort is driven by European initiatives, including the Financial Services Action Plan".

It also discusses the way in which the FSA already participates in other international forums, including

"the Basel Committee, the International Organisation of Securities Commissions, and the International Association of Insurance Supervisors".

After reading clause 8, and after listening to what the Chancellor said about the relationship between the UK and the world in his opening speech, I am left with an overriding question about what, additionally, the Bill delivers and what scope and tactics—strategy might be too big a word for it—the Government have in place to deal with international regulation and supervision as part of their overall approach to the supervision and regulation of the financial services industry in this country.

8.53 pm

Derek Twigg (Halton) (Lab): I welcome the Bill, which will give consumers more protection, an issue that I shall dwell on in my speech. The legislation will also empower the FSA and the Government to introduce tougher regulation of banks and their risky practices; better protect the taxpayer; importantly, restore consumers' confidence in financial services by providing people with greater protection and education; and, very importantly, provide powerful and easier routes to redress when consumers have suffered widespread detriment.

Although we might be discussing how we will create better regulations to give the consumer more protection, we should not forget the impact of the banking and financial crisis on constituencies such as mine and the human cost, which is so often lost when we get to the detail of such Bills. Over the past year or two, unemployment has increased more rapidly in Halton than anywhere else in the north-west bar Knowsley. Recently, the unemployment rate has slowed, but it continues to affect many families and individuals in my constituency and elsewhere. People have found themselves unemployed for the first time. Indeed, one constituent told me that, until recently, he had not been unemployed in 38 years.

Many more people have fallen into debt, something that we are discussing as part of the Bill, and many have had their houses repossessed. We should not forget the impact on businesses, particularly small businesses. All that, of course, was caused by the incompetence and greed of bankers and financial institutions.

On executive remuneration, my constituents have raised with me the issue of greedy bankers and bank bonuses. Of course, I am not talking about the ordinary bank workers in the offices of local branches but those who take the decisions and make the big salaries. It is hard to ignore the link between the risky activities of companies at a corporate level and an incentive structure that rewards such risk-taking at an individual level. Knowing what we know now, it seems remarkable that the financial institutions and those who had responsibility for managing them did not recognise and understand the risks they were taking on and were unable to prevent the consequences or to put in place plans to deal with them.

I am pleased that the Bill gives the FSA new powers on bankers' pay. Importantly, it also gives the FSA the power to rule that employment contracts not compliant with the code are void and unenforceable, and to make provision for the recovery of any payment made under a void provision. There must be more transparency on the disclosure of remuneration and pay bands. Irresponsible behaviour has to be changed. I welcome the increased supervisory and information-gathering powers and punitive measures.

The provisions on the disgraceful practice of sending out unsolicited credit card cheques to consumers are particularly welcome. There is no doubt that that can encourage people to take on more debt when many are

already in financial crisis, and I am pleased that the Government will legislate to ban that practice. We have seen the usual bad practices with small-print conditions—for example, the interest rate applying to payments is not clearly stated in all cases, and it is sometimes not indicated that using credit card cheques to make payments means that cardholders do not have any redress against the credit card company. I welcome the intention to make it an offence for a credit card issuer to send credit cheques to a customer other than in response to a request from that customer.

Excessive bank charges have been the subject of ongoing discussion, particularly with the recent court ruling. That problem has to be dealt with, and I would prefer the Government to take more regulatory powers in order to do so. We should take action on unsolicited credit card limit increases that just appear through the letterbox. The practice of changing the interest on monthly credit card payments will particularly affect young people and get lots of them into debt.

I very much welcome the proposed establishment of the consumer financial education body and the provision of guidance on money. Several hon. Members have mentioned the importance of education on consumer credit and financial management. Consumer education and awareness is a key part of the Bill. Citizens Advice welcomes the establishment of the consumer financial education body, saying that it is a step change that will benefit consumers enormously. The work of citizens advice bureaux in delivering financial education has demonstrated the appetite and need for such training and the quantifiable improvement that it makes to people's confidence in dealing with their financial affairs. For example, according to Citizens Advice, 38 per cent. of clients who took part in the Save Xmas financial education sessions funded by the Office of Fair Trading said that they had since made changes to how they save.

From October 2008 to September 2009, citizens advice bureaux dealt with more than 2 million debt problems—an increase of 21 per cent. on the same period in 2007-08. I pay tribute to citizens advice bureaux, particularly the branch in my constituency, which does an excellent job, and with which I work very closely, in helping people in severe debt or other financial difficulties, which have been exacerbated by the economic downturn. I particularly commend its volunteer programme. I am pleased that the impact of debt on health is being further highlighted. That is why the primary care trust in Halton has been funding debt advice in addition to the money that the Government are putting in.

A few months ago, I met representatives from the Resolution Foundation, whose aim is to improve the well-being of low earners by delivering change for that income group, who are currently disadvantaged. The foundation identified that low earners fall into an "advice gap" whereby commercial advisers focus their attention on the better-off, and the third sector and the Government focus on the most vulnerable. Its research found that a low earner in receipt of money guidance could be £60,000 better off by the age of 60 by making sound financial decisions throughout their life.

A poll conducted by the foundation in March 2009 found that nearly 3 million low earners worry all the time about their personal finances—double the number in a similar survey in 2007. The CFEB will increase the profile of money advice, the wider financial capability agenda and general financial education that so many people badly want to see. It will also be able to raise funding from a variety of streams, with no extra administrative burden on financial services.

Short selling has been mentioned. It has been an area of great concern at the outset of the crisis and since, and there is some discussion about how it should be regulated. I think it right that the FSA should have a power to place a restriction on short selling and require its disclosure. An independent power dealing with market abuse is very important, but I would like Ministers to provide further clarification, because points have been made about how such a power will be incorporated in the Bill and actually improve the situation. I continue to have serious concerns about short selling. I understand the benefits that it can bring, but we have seen far too much of the disadvantages of that practice, and I would like some more information on it.

Increased supervisory powers, information gathering and punishment are key measures that I support, but I also welcome measures to enable consumers to obtain redress and compensation more easily in cases of widespread consumer detriment.

I want also briefly to mention banks and bank lending. I know that there is a view that some banks have improved, but I still get constituents and businesses coming to me to complain bitterly about the banking system and how it does not help small businesses, particularly regarding lending. I am not suggesting that we have to put such regulations in this Bill, but we should consider the issue.

I welcome the Bill's main proposals, but there are certainly other areas, particularly those affecting consumers, that we need to look at. I hope we can discuss them at a later date.

9.2 pm

Mr. Mark Field (Cities of London and Westminster) (Con): For some centuries past the City of London's greatest attraction has been its international reputation as a bastion of commercial certainty and reliability. English law is respected across the globe: countless contracts between parties from far away continents are often drawn up under its jurisdiction. In commercial affairs the City of London is rightly seen as a watchword for justice, neutrality and fairness. Too much, I fear, of what is proposed in this Financial Services Bill flies in the face of this fearless and hard-earned reputation. It threatens to do untold damage to the United Kingdom as a commercial and trading centre.

Even in the face of two world wars, the City of London regarded with the utmost seriousness its international contractual obligations—even to counterparties from those nations with which we were in conflict. We meddle with this proud history at our peril. I am therefore especially alarmed at the plans to give the Financial Services Authority the power, among others, to tear up future contracts that do not comply with its new arbitrary regulations on curbing remuneration and bonuses. The notion that the FSA might in such a way strike out legal contracts will cause grievous harm to the reputation of English law and the national sense of fair play. It also seems likely to fall foul of international—in particular, European Union—obligations on competition policy.

[Mr. Mark Field]

Moreover, these draconian proposals are probably going to be impossible to implement in full. We will then be in the absolute worst of all worlds: putting on to the statute book legislation that gives a clear signal to international trading partners that Britain is no longer such a free or fair place to do business; but also concocting a set of regulations that are, for practical purposes, impossible to enforce.

As ever, there seems to be little consideration of the national interest in what the Government propose in this Bill. Instead, we see short-sighted, tactical positioning. At a time when my own party has made it clear that an incoming Conservative Administration would dismantle the Financial Services Authority, the Treasury now seeks to limit our future room for manoeuvre by empowering it even further.

The Bill also prompts the obvious question that I put to the Chancellor earlier. Given that the threat of closure hangs over the FSA, how on earth will it be able to recruit sufficiently talented new staff to take on its enhanced responsibilities? It is important that the authority and the Treasury properly think through all the practical implications of the Bill. Its unintended consequence will be that institutions are far less likely to wish to do business on these shores, which will be to our collective detriment in the years to come.

The Prime Minister's recent resurrection of the notion and desirability of a Tobin tax at the recent G20 Finance Ministers meeting is further cause for alarm. Promoted as a way of recouping more quickly the taxpayer cash put into banking bail-outs, which at least superficially seems a desirable enough goal, and of rebalancing the economy and helping the poor, as a surcharge on financial services it would in reality fulfil none of those objectives. Unless it were implemented in precisely the same way globally, it would be impossible to put into effect without disastrous consequences for both London and the UK. The United States has already signalled its clear opposition to such a levy, making it more likely that if it were to be applied on these shores, even in a diluted way, business would flee to countries free of the tax or simply engineer new financial instruments to get around it.

Dr. Pugh: The hon. Gentleman seems to object to the FSA being empowered to do something about future remuneration, bonuses and the like in the banking sector. Presumably his party argues that a future Chancellor of the Exchequer ought to have that power. Is he arguing against that as well?

Mr. Field: My objection was to existing contracts being torn up. It was the retrospection that I was objecting to. Ultimately, any regulatory authority should perhaps have quite significant and draconian powers along the lines envisaged elsewhere in the Bill, but my concern is about the longer-term influence of the changes on our stability and competitiveness.

The same principle applies to many other proposals in the Bill that would penalise the financial services in the UK. Unless it were imposed on a global scale, any initiative designed to curb bonus payments, for example, would simply drive from our shores the brightest and best in this important industry. I do not say that as a threat, because I strongly believe that no Government should be blackmailed by those in any industry into serving its particular interests above all others. However, I cannot help but conclude that in this Bill, the Government are simply grandstanding rather than introducing measures that will really be effective and minimise risk.

It is easier to focus on a single issue such as bonuses than to examine major failings elsewhere. Failings in risk modelling, credit ratings, macro-economic management and elements of regulatory oversight, as well as a number of other contributory factors, created the conditions in which excessive profits were made. As my hon. Friend the Member for Henley (John Howell) said, huge bonuses were the end product of a dysfunctional financial system, not the underlying cause of them.

Another suggestion is that far more of any remuneration package should be in long-term incentives rather than cash salary. Superficially that is an attractive proposition, but we should not forget that it had very little effect on the fate of either Lehman Brothers or Bear Stearns, two of the banks that have collapsed most spectacularly over the past two years. Both those organisations were famous for rewarding successful employees with large amounts of stock, which either by law or by internal practice proved unmarketable for a considerable period, yet that had little impact on the ultimate demise of both.

The City remains concerned that seeking short-term solutions on bonuses to quell public and media demands could bring down on the industry a raft of new regulations designed more to punish that anything else. It should also be remembered that high remuneration, be it in salary or in bonus, is not such an emotive issue outside Europe. We need to recognise that our regulation and tax policies have to take account of those prevailing in other countries that pose a competitive threat.

Let us not forget the importance of maintaining our focus on the issue that will dictate our economic health for years to come: the colossal sums of taxpayers' money and the immense Government guarantees that continue to underpin the entire financial system. The imperative to start repaying at the earliest opportunity cannot be overstated, yet commercial lending is unlikely to return to anything like normal until the second half of 2011 as toxic assets are gradually removed from banks' balance sheets. I therefore believe that the credit crunch will be with small and medium-sized businesses for some time to come.

To extend beyond £200 billion of quantitative easing puts our medium-term economic prospects at great risk. When can the Bank of England and the Treasury call time on their short-term fix? Amid the euphoria of a narrative that suggests that recovery is well within sight, I fear that we are a considerable way from being out of the woods. The root causes of the global imbalances brought about by the west's financial calamity were the credit/debt bubble, along with the east's aggressive desire to build market share in global trade. China's policy of suppressing its currency to soak up the west's debt in the bond markets further helped hold down interest rates. Yet the resultant over-investment, excess capacity and vast structural debt in the west remains in place. The underlying causes of the credit crunch have not gone away.

Notwithstanding the ruinously expensive bail-outs and capital raising, the losses incurred by banks are probably still not even halfway recovered. Indeed, I fear

that the Government's insurance of toxic assets has provided a dangerously false dawn. There is no incentive—or currently even a requirement—for banks to crystallise non-performing loans; they could not then ignore the losses on their balance sheet. Lloyds banking group, for example, with a huge property portfolio, courtesy of its ill-starred merger just over a year ago with HBOS, sits on an enormous pile of assets worth a fraction of their book value at their boom-time purchase.

The collapse in public confidence in financial institutions and their more esoteric products has met with a strong-armed, sometimes opportunistic political response. Put simply, we need to ensure that management in banks can summarise in simple terms the financial products they wish to sell. To that extent, I agree with the hon. Member for Halton (Derek Twigg)—if a derivatives product cannot be explained on two sides of A4, frankly it should not be marketed. Naturally an unworkably complicated regulatory framework risks seriously hitting the future viability and profitability of the entire industry.

Instead, the well-being of the institutions in the sector—not to mention its customers—depends on the development of a workable regulatory system, based on commercial principles, which will pass muster for decades to come. How else can we persuade those in their 20s to commence a lifetime of prudent saving as a prelude to a financially comfortable retirement? It all comes down to trust. That is an ingredient that no amount of regulation or consumer protection will rapidly restore.

Alongside the promotion of open competition and an end to the heresy that a bank might be too big or interconnected to fail, the best a Government can do is advance a culture of mutuality. We need to inculcate a sense of accountability between individual policyholders and a diverse range of financial institutions. For that reason, I support the potential for Northern Rock to revert to building society status once it has been stabilised financially. Promotion of as diverse as possible a financial services ecosystem should be a goal of future policy. Ethical values should come from individuals rather than resulting from a hostility which, inevitably, will be mounted against any all-powerful regulator. We should not expect too much from regulation. The buck must stop with all of us as consumers.

Regulation creates barriers to entry and promotes the large and bureaucratic over the small and innovative. A competitive free market can be promoted only by the re-establishment of less concentration among all institutions in the financial sphere. Ultimately, that means allowing companies—even huge players like Lehman Brothers—to fail. The interests of depositors and retail investors should be protected from such an eventuality, but not the bondholders. Protection of the latter is one reason for the problem not going away any time soon.

A healthy, competitive and innovative capitalist system requires risk-taking, which is why shareholders and bondholders should not naturally expect such blanket protection. The trouble is that too much of the current debate on banking regulation, as shown by the Bill, focuses on how we should have stopped the last crash. That has not been helped by a Government whose recent economic policy pronouncements are governed less by the national interest and more by a scorched earth policy, designed to limit the room for manoeuvre for years to come of any incoming Government.

We would do better to turn our attention to how best to create a future global financial system that will be trusted by today's children investing in the decades ahead in anticipation of a long, secure retirement income.

9.14 pm

Ms Sally Keeble (Northampton, North) (Lab): I welcome the chance to speak after the hon. Member for Cities of London and Westminster (Mr. Field) who obviously has the interests of the financial services sector at the heart of his constituency. In my constituency, we have part of Nationwide, and Barclaycard is next door, so I also have a strong financial services lobby. All of us of course also have constituents who are entirely dependent on the maintenance of a secure financial system, both for their own jobs and for financial services, such as pensions and mortgages. For that reason, although this Bill is phenomenally technical, it goes to the heart of what our constituents want to see happen, and that is why it is right that the Government should include it in their legislative programme.

The Government have to introduce the measures that they think right, and I agree with the separation of the Bank of England and the FSA, as set out in the Bill. The Government should not look to the pending election and ask "What are the policies of the Opposition?" and, depending on the answer, do nothing or do what they say. The Government should persist with the course of action that they think fit.

The origins of the debate, dating back to 1997, were mentioned at the outset. That was when the supervision of the banks was taken away from the Bank of England. It has been talked about as if that was the only thing that happened on that occasion, but it was not. The key factor was the Bank of England being given independence and control over the setting of interest rates. That was a phenomenally powerful tool to give the Bank, which had previously been jealously preserved by the Chancellor. It was a profound decision that affected all our constituents. Giving those powers to the Bank of England was a dramatic move and one that proved to be extremely successful. Control over interest rates was the key to controlling inflation, which at the time was public financial enemy No. 1. It made perfect sense to transfer that power, and the FSA was then set up to deal with the regulatory issues.

Over the years, we have had debates about what was done, and questions were asked about the wisdom of some of the moves. I have been on the Treasury Committee for four years, so I came in at the tail end of some of those debates. It was when things were starting to get a bit bumpy, because we had big debates about asset prices, especially property. Most of those debates, and the pressure put on the Governor, came from Members of Parliament, especially my hon. Friend the Member for Edmonton (Mr. Love). I did not tell him that I intended to mention him, but as I am flattering him, I hope that he will not mind. He repeatedly pressed that issue.

We also had a lot of discussion about the dislocation of the bank's rate from the interest rates as all of our constituents experienced them, especially over the past 18 months to two years. There were strong debates about the difference between the consumer prices index and the retail prices index, and why the public did not

[Ms Sally Keeble]

agree with the Governor's view of the rate of inflation. Many of those issues were a start in considering whether the system as set up in 1997 would hold for the next 10 or 20 years.

In fact, quite often over the past few years, the Select Committee almost got to the point of spotting what would lead to the collapse. When we looked at some financial products—we looked at collateralised debt obligations, or CDOs, but not CDOs squared—questions were asked about their construction, what they meant, what underpinned them, what their creditworthiness was, and so on. However, we did not push as hard as was perhaps needed to see what was happening. The Governor certainly never warned of exactly what was happening. I noticed that although the hon. Member for Tatton (Mr. Osborne) referred to asset prices, he did not read out any clear warning from the Governor—or, indeed, from anyone else—about the scale of the collapse that was coming down the line; and indeed, the FSA chair and chief exec at the time did not warn about it either.

When the collapse came, those of us on the Select Committee virtually had a ringside seat. The tripartite authority was caught out, albeit not because of anything inherent in its structure, but because of the speed and scale of the collapse. People could see the asset price bubbles and the complex financial products, although nobody quite knew what was in those products. Indeed, at one Committee meeting I remember people talking about how they would unwrap a layer to see what was under them, find that there was nothing at all and then pass them on as quickly as they could, before they ended up on their books.

Mr. Mark Field: Although I share the hon. Lady's view that the tripartite system in itself was not the main cause of everything collapsing, does she share the Opposition's concern that the Treasury turned a blind eye and did not warn anyone, in the way that probably none of us in politics did, because the money pouring in from the City was obviously attractive and because financial services brought huge income into the Treasury's coffers? The core question is: where did responsibility lie? However, when that question was asked of the Governor of the Bank of England, answer came there none.

Ms Keeble: I completely agree. There have been issues about what happened. The question that I was working towards is: how do we put it right? Everybody agrees that things went wrong, and everybody agrees that when the crisis came, the tripartite authority did not manage to resolve the issue in a very clever fashion. We heard all the accounts and all the evidence is there in the reports. The primary issue was not so much that the people involved were having a bust-up, but that the speed, scale and unexpectedness of the collapse caught everybody by surprise. In particular, as soon as the collapse hit the public and they started the run on Northern Rock, a domino effect could have moved quickly through our financial services, had the Government not also moved quickly, which they did. They did so after the collapse of Lehman Brothers as well.

Given what happened, how do we put things right? I do not see that as a huge party political dividing line; I see it as a matter of trying to work out a sensible way to deal with what was a huge problem. However, just to say, "The relationships are dysfunctional; therefore we have to abolish or change everything," as the hon. Member for Tatton did, is not something that I buy into. That was the bottom line of his arguments, and I simply do not accept them. A number of issues have to be dealt with or thought through before we start talking about dismantling the FSA—or rather, not so much dismantling it, but tacking it wholesale on to the Bank of England.

First, there are serious conflicts of interest in having an organisation that uses the monetary policy tools that the Governor now has at his disposal, including quantitative easing, and that also supervises the banks. We could create Chinese walls and separations within the organisation, but given the importance of the subject and the order of the issues being dealt with, it is much better for those different functions to be more clearly separated.

The second thing—it has grown out of the crisis and we have all had to learn about it—is that the public are now much more demanding about scrutiny and transparency. The hon. Member for Twickenham (Dr. Cable) talked about the banks' obligations on lending rates, which have not been restored to what they were. I do not think that the public are going to accept that one organisation, although it has responsibilities to report to different organisations, is likely to have the most wonderful culture of openness and scrutiny by the general public. I do not think that it will provide the kind of openness that the public will demand for the next 10 to 20 years.

I always remember the time when the Governor came before the Select Committee to talk about what was happening with Northern Rock. He spoke in terms of, "If only the Bank had been able to carry out a covert operation". I had visions of somebody with a big bag of cash running out of the Bank of England towards Northern Rock, and I wondered how on earth that could be done in the modern day and age. Just recently, of course, the Bank has managed to carry out such operations, which is quite remarkable. It is interesting that the debate then starts to be about where the public accountability, scrutiny and answering lies for what the Bank and others are doing with public funds. We need a structure that will allow us to answer those questions. Splitting the FSA into separate organisations will not help; it already has a culture of openness that will help it to provide better answers.

Placing all the functions into just the Bank creates the problem that it might become too big an organisation. We have all talked about being too big and too important to fail and all the rest of it, but having one body deciding quantitative easing, interest rates, the education of the public, bank supervision, old Uncle Tom Cobleigh and all involves too many functions for one organisation.

Most importantly—this explains my question to the hon. Member for Tatton, and both the Governor and the FSA said this—the issue is not just about who sits where but about what they do. Although there has been much discussion about reorganising structures, we also need to discuss the new tools that can be used to fix the current problems. It is much better to improve the structures we already have and focus on getting tools—other than the capital ratios that everybody has talked about a great deal—to try to tackle the problems we are going to face over the next 10 to 20 years.

Apart from that, there some very important measures in this Bill, which go right to heart of the public debate. People have talked about bankers' pay, which is a major public concern. There is also a real awareness of the importance of the international regulations. I was pleased to hear my right hon. Friend the Chancellor speak about them in his opening address. I was particularly pleased to hear what he said about the credit ratings agencies—some of the real culprits in all this when they went on advising people about putting together hopelessly complex products and provided ratings for them. That then encouraged people to sell them when they were, in fact, houses of straw. I also greatly welcome the measures on consumer protection, particularly on the credit card cheques, in respect of which many hon. Members of all parties have campaigned for extra controls.

Nobody has mentioned clause 29, which I am particularly pleased to see in the Bill. It gives extra powers to the Financial Services Compensation Scheme. In all the disasters around financial services over the past couple of years, the Financial Services Compensation Scheme is just about the one organisation that has been extremely efficient and has managed to ensure with record speed that people have received the compensation owed to them. I am sure that the Financial Secretary will mention this in his concluding speech, but the clause would make it possible for the FSCS to ensure on an agency basis that all the customers of the Icelandic banks, for example, get paid out. That would mean that the money of overseas customers, or United Kingdom customers with accounts abroad, would be protected as well. I think that it would cover all internet banking as well, but perhaps my hon. Friend the Economic Secretary will clarify that point when he winds up the debate. In any event, it is a small but important measure.

I welcome the Bill, which I think will provide a way through a difficult situation and will help to put the regulation of our financial services on to a more secure footing in years to come.

9.30 pm

Mr. Mark Hoban (Fareham) (Con): We have had a thoughtful but rather low-key debate. That is surprising, given that the Bill is meant to be the central plank of the Government's strategy in the run-up to the next general election. There seemed to be no passionate desire among Labour Members to defend the existing structure of regulation in the United Kingdom, and they seemed to have no real confidence in their arguments. When Labour Members discuss the reforms that Conservative Members have proposed, there are no discussions about whether they are right or wrong in principle; we are merely told that they might be quite difficult to implement. That hardly suggests that Labour Members have confidence in the structure of which the Prime Minister himself was the author in 1997.

My hon. Friend the Member for Wimbledon (Stephen Hammond) spoke of the link between the financial crisis in this country and the economic crisis that we have experienced during what has been the longest and deepest recession since the 1930s. That point was echoed by the hon. Member for Halton (Derek Twigg), who reflected on the experience of his constituents and on the link between the problems of businesses and households and the financial crisis.

It is important to ensure that we produce the right response to the problems that we have seen over the last two or three years. Taxpayers have had to stump up billions of pounds in guarantees for the financial services sector. People have lost their houses, and businesses are under threat. We need to establish whether our current regulatory system has failed, and if it has failed—as we believe it has—we need to think about the right way in which to introduce reforms.

My hon. Friend the Member for Henley (John Howell) referred to the confusion that has arisen from the FSA's being given the objective of financial stability. Those of us who are veterans of the proceedings on the Bill that became the Banking Act 2009—such as the hon. Member for South Derbyshire (Mr. Todd), the Economic Secretary to the Treasury and the hon. Member for Northampton, North (Ms Keeble)—will recall our debate about financial stability. We discussed the problems involved in giving the Bank a responsibility for which there was no definition, and giving the Bank a responsibility without, necessarily, any additional powers to implement that objective. We also debated whether or not financial stability should be an objective for the FSA.

On that occasion, the hon. Member for Wallasey (Angela Eagle), then Exchequer Secretary, responded by saying:

> "the FSA has important objectives in relation to financial stability and the Financial Services and Markets Act 2000, which has a direct bearing on what we are talking about. For example, the FSA has a responsibility for maintaining market confidence in the financial system. That, too, is about financial stability".—[*Official Report, Banking Public Bill Committee*, 30 October 2008; c. 232.]

It appears that last year the Government were very clear about the fact that the FSA had responsibility for financial stability. This year they appear to have changed their mind. I wonder whether that has just a little to do with the problem that affects the Bill. The Government are focusing on cosmetic changes, producing the illusion of activity and reform without making any substantial alterations.

My hon. Friend the Member for Cities of London and Westminster (Mr. Field) expressed concern about the contractual relationship between employer and employee. The hon. Member for South Derbyshire raised a similar issue last year during the debate on what was then the Banking Bill. My hon. Friend also spoke of imbalances between the economies in the far east with current account surpluses, the role that they had played in supplying funds to London and New York and acting as intermediaries in the financial services markets in those two centres, and how that had fed the growth in credits and led to the asset price bubble that has burst to the cost of families and businesses across the country. He also touched upon the need to understand complex financial products. I think we would all agree that regulators and businesses failed to understand the nature of the risks in respect of these products, and the consequences of those risks when people were taking up products such as collateralised debt obligations, and CDOs squared, on a large scale.

The hon. Member for Coventry, North-West (Mr. Robinson)—who made a late bid to serve on the Public Bill Committee, if the Government Whip is looking for a volunteer alongside the hon. Member for South Derbyshire—was critical of the appointment of Michel Barnier as the Commissioner responsible for

[Mr. Mark Hoban]

internal markets, who has jurisdiction over financial services. We may well turn to this in more detail in the debate tomorrow on the Commission's proposals for reforming the architecture of financial supervision in the European Union.

The hon. Member for Coventry, North-West was right to be critical of that appointment. I sometimes get the sense in discussions on European financial services that the Treasury has let a matter rest for a long time and then rides in like the seventh cavalry, but ultimately fails to change things. We have had a flurry of activity over the past few days, with the Prime Minister and others trying to persuade President Barroso that Michel Barnier should not be appointed a Commissioner. All came to nought, however, because the Treasury and the Government did not wake up to the risks until it was too late. I fear that we will see the consequences of that inactivity over the course of the life of the Commission.

The hon. Member for South Derbyshire spoke about employment rights, and he referred to the Bill as a portmanteau Bill. That is an apt description, as it highlights the fact that it is a hotch-potch collection of provisions that lacks a coherent theme. It does not really address the financial crisis, or some of the consumer credit issues that a number of Members have discussed during the debate. He asked, rather cynically, "Well, what do the people who argue in favour of your Conservative reforms want?" I am not entirely sure what Jacques de Larosière, Austan Goolsbee or Stanley Fischer want from a Conservative Government, and I do not know what is in our gift to give them. However, the fact that they recognise that there needs to be significant reform of financial regulation, and that more powers need to be given to central banks over the regulation of the financial services sector, demonstrates that our proposed reforms go with the grain of international debate.

The hon. Member for Halton (Derek Twigg) talked about the impact of the financial crisis on the economy and on families and businesses in his area. That reminds us of the need to get the regulatory system right in order to minimise the risk of such crises arising again. He also referred to the indefensible practice of credit card cheques. Whenever I talk to people from the credit card sector, I always listen with fascination to their defence of these cheques, but there is no credible defence, and they should be scrapped.

The hon. Member for Northampton, North was the only Member on the Government Benches to offer even a slight defence of the existing regulatory regime. She gave an account of the discussions the Treasury Committee had with the Bank of England and others about complex products and the credit bubble. Part of the problem was that no one really had responsibility for financial stability or for working out what the impact of these risks would be on the financial system and the wider economy. That points to the gap in the system of financial regulation, which the Prime Minister established in the late '90s. No one had that responsibility, and sadly, the Bill does not address that fundamental problem.

There are no significant measures in the Bill that demonstrate that the Government have learned the lessons from having seen the first run on a UK bank in living memory. There appears to be nothing in the Bill that would prevent that from happening again. Secondly, our economy as a whole has been massively over-leveraged because nobody took responsibility for macro-prudential regulation and the maintenance of financial stability. It now appears that the Bank and the FSA share that responsibility without there being any clarity as to what that means, and what they will do in practice. It is all still to take place within the framework of the tripartite arrangements set up in the late 1990s. We know from the criticism of those arrangements how badly they have worked. We still do not know who, in the final analysis, has responsibility for financial stability: is it the Bank, the FSA—or, indeed, the Chancellor of the Exchequer? We have gone from a situation where nobody had responsibility to one where everyone has responsibility, but neither is a satisfactory outcome.

It is not just banks that were over-leveraged; consumers were, too. Our consumers were more highly leveraged than those in America, and personal debt in the UK is equal to that in France and Germany combined. Where are the measures in the Bill to address that? As I said, we welcome the measures to ban unsolicited credit card cheques, but we have long called for the Government to go further in tackling some of the issues relating to consumer credit and rebuilding the savings culture in this country.

This financial crisis has wreaked devastation on consumers, families and businesses. We have seen the mis-selling of structured products, falling interest rates for savers and pensioners, and an increasingly concentrated banking sector. Again, nothing in this Bill gets to the root of why regulation is failing consumers. We welcome the measures in the Bill on collective redress and class actions, but it says something about the weakness of the regulatory structure that we have to find mechanisms for consumers to hold product providers to account. Where is the FSA or the Financial Ombudsman Service failing, if we need to give consumers those powers? We need to examine some of the fundamental failures in consumer regulation if we are to get this right.

The Bill fails to address the weaknesses in the regulatory structure and demonstrates the Government's failure to undertake the fundamental reform of financial regulation that we so desperately need. It is a long list of measures that are, in part, cosmetic; it is a restatement of what is already happening, rather than reform to address the structural failures entrenched in the reforms of 1997.

A number of Conservative Members have asked whether the Bill is about cosmetic change or about change to the architecture, and whether it is substantial or merely a rebranding. Parts of the Bill remind me of one of those TV makeover shows: people come in and there is a blaze of activity for a short time—new paint is put on the walls and a few new lampshades and carpets are put in—yet the reality is that we still have the leaky roof, the rocky foundations and the dodgy walls. They remain unchanged as the makeover team moves off, leaving the real problems behind for someone else to sort out.

What the people of this country need is real change, not some tacky makeover from a Government running out of steam, caught out by their own failings but lacking the courage to own up to their mistakes and scrap the system that they set up. The Bill does contain measures that we will support, but they need more

scrutiny, because they are being railroaded through the House by a Government afraid of robust scrutiny of the new powers being taken by the FSA.

These welcome measures should not obscure the fact that the Government could have used this Bill to achieve fundamental reform of the regulation of the financial services sector. It could have been used to establish clear lines of responsibility for maintaining financial stability and it could have dealt with the fundamental structural weaknesses in the system that the Prime Minister set up in 1997, but instead it has entrenched the problems of the past, ducking the questions about who should be in charge and avoiding real reforms that would have given real protection to consumers.

We require wholesale structural and institutional reforms with a fresh approach to regulation and supervision. The Conservatives have put forward detailed proposals that learn the right lessons from this financial crisis and would put us on a sustainable footing going forward. Instead of defending the tripartite structure, as the Government are forced to do, we would scrap the FSA and give the Bank of England enhanced powers over prudential regulation, thereby leaving nobody in doubt as to who is in charge. Instead of having a single organisation trying to tackle financial stability and protect consumers, we would create a consumer protection agency to act as a consumer champion.

What a shame that the Government will not admit their mistakes, will not own up to their failings, and instead blame everyone but themselves. It is clear that while this Government are in charge, we will not get the real reforms that this country needs; all we will see are cosmetic changes saving the face of the Prime Minister—the architect of the system that has so badly let down households and businesses across this country. It is becoming increasingly clear that the Government are incapable of learning and incapable of implementing the change that this country needs. Only a general election can bring about real and substantial reforms to the architecture of financial regulation to ensure that we give better protection to consumers, learn the lessons of the excesses of the past decade and put this country back on the right track.

9.45 pm

The Economic Secretary to the Treasury (Ian Pearson): The global financial crisis has led countries across the world fundamentally to review financial systems and their interaction with the broader economy. Last year and earlier this year, we ensured that the UK authorities had the power to deal with failing banks while continuing to protect consumers and taxpayers. Our economy needs well-managed, well-functioning banks and financial institutions to perform a vital set of functions, channelling investment and helping people to save and plan for the future.

Although a prosperous financial sector is in everyone's interests, so too is a stable one. Through this Bill, we have an opportunity to strengthen the financial framework so that the UK not only addresses the effects of the crisis but harnesses the lessons of the past two years, ensuring that in future any crises will not only be less damaging but less likely altogether. The Government's aim is simple: to ensure that the financial system that emerges from the crisis is not only built on a stronger and sounder footing but is fairer and works for consumers.

The tone of the comments made by the hon. Member for Fareham (Mr. Hoban) stood in stark contrast with those of the shadow Chancellor. I got the impression that the shadow Chancellor had thought deeply about this and that he disagreed with us on one fundamental issue to do with the structure of regulation, but agreed with large elements of the Bill. He said so. He said that recovery and resolution plans were a good idea and he supported lots of other elements of the Bill. However, I did not hear a shred of evidence to support the idea that the fundamental wholesale reform suggested by the hon. Member for Fareham would produce any benefits for consumers and investors.

It is clear that when it comes to structure there is a fundamental disagreement between the Government and the Opposition. The Opposition have made their views on the institutional framework clear, but their suggestion that if we had handed the FSA lock, stock and barrel back to the Bank of England we would have prevented the financial crisis, or would prevent a future one, is simply misguided. Putting together responsibility for regulating not just the big banks but the small ones—the smallest building societies, individual financial advisers and the smallest credit unions—does not make strategic sense. Many different institutions and frameworks exist in different countries across the world, but no model of financial regulation has been successful in fully insulating any country from the crisis.

The shadow Chancellor and the hon. Member for Fareham cited a number of people who support their view. We can do the same. The simple fact is that there is no perfect supervisory architecture. My hon. Friend the Member for Coventry, North-West (Mr. Robinson) quoted Andrew Large, who knows a lot about these matters. The solution, to my mind, is not to rearrange the responsibilities of those with a role to play in preserving financial stability, but to ensure that all responsible parties have the right tools at their disposal to maintain financial stability and that the right framework exists to ensure effective co-ordination of the authorities' activities.

We should not be talking, as the Opposition are, about shifting the deckchairs. We should be talking about strengthening the deckchairs so that they can carry the weight that we all now realise is required of them. It matters not who does the job, but that the job is done effectively and the institutional framework is clear and coherent.

At this critical time, we need the authorities to focus on reducing risk, not on having to deal with the disruption and uncertainty caused by unnecessary institutional upheaval. The hon. Member for Twickenham (Dr. Cable) made a valid point when he warned of the dangers that significant institutional upheaval could bring. Instead, by introducing the Council for Financial Stability, we propose a change from the existing standing committee arrangements. The council will be responsible for considering emerging risks to financial stability and co-ordinating an appropriate response by the UK's authorities. Most important, it will place financial stability arrangements on a more formal, transparent and accountable basis.

A second crucial element of the Bill relates to recovery and resolution plans, or living wills.

Mr. Oliver Letwin (West Dorset) (Con): Will the hon. Gentleman give way?

Ian Pearson: I would happily give way to a Member who has sat through the debate, rather than one who turned up two minutes ago. I should like to reply to the comments that a number of hon. Members have made.

Recovery and resolution plans will help to ensure that no bank is too complex, too interconnected or too big to fail, thereby going a long way towards addressing the moral hazard problem that is particularly prevalent among systemically significant firms. The plans are key to ensuring that such firms can no longer rely on an implied public subsidy. In response to the hon. Member for Wimbledon (Stephen Hammond) who, among others, raised the issue: yes, it is an ambitious programme of work. We are talking about complex financial institutions, but our proposals are not unworkable and we need to make sure we get the detail right.

The recovery and resolution plans are only one element of the Government's comprehensive policy to deal with the systemic risk posed by firms. The policy includes tougher prudential regulation.

Stephen Hammond: Will the Minister give way?

Ian Pearson: I happily give way to the hon. Gentleman.

Stephen Hammond: The Minister cited my contribution to the debate, but he glossed over my point. He said that he wants to make the plans workable but he has given no detail. A number of problems have been raised to show the risk that the proposals may be made completely inoperable by the complex nature of companies' financial structures, but he has yet again glossed over that point.

Ian Pearson: I shall be happy to go into detail with the hon. Gentleman in Committee. The shadow Chancellor said that recovery and resolution plans were a good idea. As hon. Members know, on Second Reading we debate the principle of the measure, and the principle of the plans has been welcomed on both sides of the House.

The third crucial element of the Bill is remuneration. The Bill relates to improved corporate governance, which goes hand in hand with a strengthened regulatory framework. There is general consensus that remuneration practices in the financial services sector were a contributory factor in the recent financial crisis. That is why we are taking decisive action to tackle remuneration practices that incentivise excessive risk taking.

There are proposals in the Bill to enhance control of the system of rewards on the one hand and transparency of disclosure on the other. We are strengthening the FSA's hand as a regulator to take action against remuneration policies that encourage excessive risk taking, and ensuring greater accountability of the FSA to the Government in that area. The hon. Member for Twickenham asked whether we actually needed such legislation and suggested that the FSA could already take action. No, it cannot. We are imposing a duty on the FSA to make rules requiring some authorised persons to have a remuneration policy and to implement it, and to ensure that remuneration policies are consistent with the effective management of risk and the Financial Stability Board international implementation standards as agreed by the G20 leaders at Pittsburgh. It is fundamentally important that we do so.

The shadow Chancellor and others asked about the power that we have proposed in that area and about concerns expressed by Lord Woolf. The power that we are proposing is not a power to interfere with existing contracts—the FSA is not being given retrospective powers. As a public authority, its actions are required to be compatible with the rights in the European convention on human rights, which are protected by the Human Rights Act 1998.

In addition to what we are doing to strengthen the FSA's hand, we are, where appropriate, taking action to implement in full Sir David Walker's recommendations on disclosure and transparency. The hon. Member for Cities of London and Westminster (Mr. Field) raised points about remuneration, and, happily, I am sure that we will discuss them further in Committee. Through our proposals on disclosure, we are trying to support shareholders' ability to exercise effective oversight of the remuneration paid in the companies in which they invest. As my right hon. Friend the Chancellor said, the first line of defence is well-managed companies, with directors taking responsible decisions about risk, effectively overseen by active shareholders. Through the Bill, the Government will have a power to make regulations to implement the Walker recommendations, which will naturally be subject to full consultation.

The fourth crucial element of the Bill is the measures designed to support and protect consumers. My hon. Friends the Members for Halton (Derek Twigg), for South Derbyshire (Mr. Todd) and for Northampton, North (Ms Keeble) made specific reference to the consumer financial education body and the powers on collective redress. Hon. Friends who serve on the Select Committee that deals with the issue made broader comments, which we will happily debate in Committee. It is important that the FSA can establish a new consumer financial education body to provide strategic leadership and increase the profile of the financial education and capability agenda. It is also important to recognise that the recession has had the greatest impact on those who are most vulnerable in our society. We are committed to improving access to financial guidance and education to address these issues. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Minister. There is a rising tide of sedentary conversation, which is now starting to obtrude.

Ian Pearson: As my right hon. Friend the Chancellor announced, we also propose to introduce a representative body to bring action through the courts on behalf of groups of consumers. There have been representations from bodies that have concerns about what is being proposed. The proposals have been extensively consulted on. They are appropriate, and it is right that individuals have the power to band together to take class actions in the courts through a representative body. That power has limitations, which we have consulted on, and those are appropriate.

The Bill will ensure that prudential regulation and supervision of firms are more effective. It will place greater emphasis on monitoring and managing system-wide risks, including by legislating for the new Council for Financial Stability. It will ensure that banking remuneration is more appropriate and, above all, more transparent.

At the same time, it will ensure that consumers of financial products are better supported and protected. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second Time.

FINANCIAL SERVICES BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Financial Services Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 14 January 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—(*Mr. Mudie.*)

The House divided: Ayes 276, Noes 152.

Division No. 5] **[9.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Moon, Mrs. Madeleine
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug

Norris, Dan
O'Brien, rh Mr. Mike
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and David Wright

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Stephen
Harvey, Nick
Hayes, Mr. John
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. Philip Dunne and Mr. John Baron

Question accordingly agreed to.

FINANCIAL SERVICES BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Financial Services Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred in consequence of the Act by a Minister of the Crown.—*(Mr. Frank Roy.)*

Question agreed to.

FINANCIAL SERVICES BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Financial Services Bill, it is expedient to authorise—

(1) the imposition of charges for the purpose of meeting expenses incurred by—

(a) the consumer financial education body to be established by the Financial Services Authority,

or

(b) the scheme manager of the Financial Services Compensation Scheme, and

(2) the charging of fees in connection with the application of Part 5 of the Banking Act 2009 to persons providing services forming part of inter-bank payment systems.—*(Mr. Frank Roy.)*

Question agreed to.

Business without Debate

ESTIMATES

Motion made and Question put forthwith (Standing Order No. 145),

That this House agrees with the Report [25 November] of the Liaison Committee.—*(Mr. Frank Roy.)*

Question agreed to.

DELEGATED LEGISLATION

Ordered,

That the Costs in Criminal Cases (General) (Amendment) Regulations 2009 (S.I., 2009, No. 2720), dated 8 October 2009, be referred to a Delegated Legislation Committee.—*(Mr. Frank Roy.)*

REGIONAL SELECT COMMITTEE (LONDON)

Motion made,

That Ms Karen Buck, Jeremy Corbyn, Clive Efford, Siobhain McDonagh and Mr Andy Slaughter be members of the London Regional Select Committee.—*(Mr. Frank Roy.)*

Hon. Members: Object.

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Mr. Frank Roy.)*

Hon. Members: Object.

PETITIONS

Equitable Life (Mid-Worcestershire)

10.16 pm

Peter Luff (Mid-Worcestershire) (Con): It is my sad duty to present a petition on behalf of the constituents of Mid-Worcestershire regarding the Government's response to the parliamentary ombudsman's reports on Equitable Life. The petitioners are all directly or indirectly affected by the maladministration relating to the Equitable Life Assurance Society and the regulatory failure on the part of public bodies responsible. They have suffered grave injustice as a result, but have yet to receive any compensation for the resulting losses.

I strongly associate myself with the petitioners, who state:

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

Following is the full text of the petition:

[The Petition of residents of the constituency of Mid-Worcestershire in the West Midlands region of the UK regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.]

[P000434]

Planning and Development (Essex)

10.17 pm

Bob Spink (Castle Point) (Ind): I fight fearlessly for my constituents against inappropriate planning applications, so I am delighted to present this petition on behalf of residents against a tennis club application. Of course, the club has the right to enhance its members' enjoyment of leisure facilities that they may from time to time choose to use. However, that right falls well below the rights of residents to a decent quality of life without disturbance to them and to wildlife, the massive parking and other problems that would be caused and the need to stop bad development alongside the beautiful and sensitive Hadleigh Castle country park green belt. I sincerely congratulate each and every one of the residents who have signed this petition to protect their environment.

[Bob Spink]

The petition states:

The Petition of Darryl Godbold, Trish Lepulelei, local residents and others,

Declares that the proposed development at the Hadleigh Tennis Club should be rejected because the new and much larger building, pathway and proposed new uses of the club would bring unacceptable problems, including parking, inaccessibility for the emergency services, increase in hard surfaces, increased demands on insufficient foul and surface water drainage capacity, conflict with wildlife, and possible further encroachment onto the green belt following improper green belt encroachment a few years ago for a new driveway; further declares it would bring about an unacceptable intensification of use in this residential cul-de-sac, including a bar, social and fund raising functions; and further declares that previous planning conditions to avoid street parking difficulties have not been honoured.

The Petitioners therefore request that the House of Commons urge the Government to encourage Castle Point Borough Councillors, rather than officers, to consider this objection and Petition and to reject the application and to be held to account for their decision.

And the Petitioners remain, etc.

[P000435]

British Waterways

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Frank Roy.)*

10.20 pm

Lynda Waltho (Stourbridge) (Lab): A national treasure, a thriving 4,500 mile linear national park, a catalyst for regeneration and economic growth, a nature reserve accessible to millions of people and belonging to us all —these are just a few of the descriptions given to our canals and waterways travelling through 250 parliamentary constituencies and past 19 million people every day.

When our navigable canal and river network began to develop in the form we know it today, Napoleon and Josephine were about to be divorced, Charles Darwin and Abraham Lincoln were new-borns, the vacuum, the phone and the car were yet to be invented, and the idea that working men—or any woman—might vote was unthinkable. A lot has changed in 200 years, and the canals and rivers that played a great part in the development of our industrial success are still with us. If they are going to be able to contribute to our next 200 years, they are in great need of development, maintenance and support.

The last decade or so has seen a widely acknowledged renaissance of our waterways and canals, especially as the agents of regeneration of many city centres—such as Gas Street basin in Birmingham—and of rural areas, offering some of the greenest recreational facilities available in the UK. Since 1999, this Government have invested an unprecedented £750 million in the network, ensuring—alongside the work of an army of volunteers—that it is in a much better state now than at any time since world war two.

As we are becoming more aware of the challenge of climate change, we are also seeing the potential of our waterways to alleviate flooding, to provide sanctuary for wildlife and alternative modes of transport, and even to generate clean energy. The most recent figures for visitors to our waterways, from 2008, show that some 3.4 million visits were made, and that the number of boaters on the network was the highest in modern times at 32,500. Of course, many businesses depend on the efficiency and maintenance of our waterways. The British Marine Foundation estimates that some 40 per cent. of its member companies have a direct business interest, including hire fleet companies, marina operators and narrow boat builders, all of which, of course, provide many jobs. Imagine, then, the confusion, fear and anger of so many people when they heard that this fantastic network is threatened once again with break-up, destruction and possible sell-off. Such feelings were so strong that within days, a petition of 9,000 names appeared on the Downing street website.

Many of us thought that the battle for our waterways and the argument for their remaining in the public sector had already been won in 2007—the last time the Treasury turned its hungry eyes our way, especially to the British Waterways property portfolio, the sale of which has been estimated to be worth around £16 billion. It was viewed then not only as a welcome answer to Treasury shortfalls, but as a way of making good the gap in funding from the Department for Environment, Food and Rural Affairs in making payments to farmers via the Rural Payments Agency.

In answer to this onslaught, a massive coalition of waterways users, businesses and parliamentarians was formed. After some battles, the threat receded, although not without some loss of grant, but at least the argument was won and the waterways were relatively safe once again within the public sector. However, in the wake of the global downturn we find ourselves once more on the defensive, and once more in the sights of those ever-hungry Treasury eyes.

British Waterways is facing a cut in funding of some £10 million in the next financial year, reducing the available grant to £47.8 million. Government funding from DEFRA for England and Wales has been confirmed for the year 2010-11. The base level of grant will be cut from £57 million to £52.8 million, with £5 million already brought forward to 2008-09 as part of the Government's fiscal stimulus plan. This points to an effective year-on-year reduction of £4.6 million plus £5 million, equating to a cut of £9.6 million. The Inland Waterways Association has said that British Waterways' existing grant already fails to address an ongoing deficit of between £20 million and £30 million each year in the amount needed just to maintain the system in a steady state of repair. Any cuts will only exacerbate the situation.

On top of that grant cut, the prospect of the rumoured sell-off of the British Waterways property portfolio has been a bitter blow to confidence. It is difficult to see the economic sense in such a move, as the portfolio provides BW with about £45 million in revenue, which equates to more than a third of the money that it needs to run the waterways properly and almost half the maintenance budget.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): My hon. Friend will know of the serious breach of the Leek arm of the Caldon canal recently. Does she share my concern that if the property portfolio of British Waterways is taken away by the Government, on top of the cuts in the Department for Environment, Food and Rural Affairs grant, beautiful canals such as the Caldon will be returned to the dereliction from which they came in the early '70s?

Lynda Waltho: Indeed. I am well aware of the situation on the Caldon, which applies to many canals across the country. Should the maintenance decline, there will inevitably be safety problems and closures, so the situation is awkward across the country. It does not take a mathematician to predict that such a move would be disastrous to British Waterways' finances. It could only lead to waterways falling into dereliction and safety being compromised, and there would inevitably be closures.

Many of us who are involved with the waterways see the move to sell the portfolio as a desperate measure, because as recently as April the operational efficiency review gave British Waterways a clean bill of health. It recognised that it had achieved significant growth in its canal-side portfolio, and there was no suggestion at all that it should be sold off. The only reason why Treasury officials returned to the matter like a dog to its favourite lamp post can be the plight of the public finances, yet the proceeds from the sale would make an insignificant contribution to reducing the national debt.

Mr. Bob Laxton (Derby, North) (Lab): Does my hon. Friend agree that that dual pincer financial movement on British Waterways—the cut in the DEFRA grant and the sell-off of the property portfolio—would leave it in an impossible position and make a huge 200-year asset into a liability? Would she, like me, not be surprised if British Waterways were to say to the Government, "We cannot afford to maintain this. This is your problem"? The call upon the taxpayer would then be potentially quite large, and it would far outweigh any money that the Government, the Treasury or DEFRA would save or make from the sell-off.

Lynda Waltho: Absolutely. I agree entirely with my hon. Friend that it would represent a very short-term gain and a very long-term loss and problem for our waterways.

Against the possible contribution to paying off the national debt, we must balance the potential losses of such a move, which would be devastating. Lost to us all would be all the public benefits that the Government have hitherto recognised, such as urban and rural regeneration, health and social developments and an expanding leisure facility. We would also lose the £750 million of taxpayers' money invested over the past 10 years, effectively cashing in our public asset—it is the equivalent of selling off a national park.

Sir Peter Soulsby (Leicester, South) (Lab): On that point, does my hon. Friend agree that the Government can be very proud of the regeneration of the waterways and the investment that they have made in them since 1997? That is particularly characterised by the publication of "Waterways for Tomorrow". Does she agree that the understanding of the matter, which is probably shared by DEFRA Ministers, needs also to be shared by Treasury Ministers?

Lynda Waltho: Absolutely. I am immensely proud of what the Government have done for investment in waterways. Indeed, the volunteers and the people who keep things going in my constituency and on the canals in the black country are aware of what the Government have done. The cut would represent a sell-off of not only the asset but of those volunteers' input and confidence. Furthermore, it represents effectively selling off a national treasure. That is what really hurts people.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): As a former Minister with responsibility for waterways, I want to ask whether my hon. Friend agrees that Ministers are too wise to make such a mistake. There is a third way: to put the assets and liabilities into a mutual public interest model, to the benefit of the Government, the public, the users, the economy and the environment. Is not that the right way forward?

Lynda Waltho: Absolutely. My right hon. Friend may have read my speech because I would like to deal with that possibility in a moment. That would be a fantastic way forward; indeed, British Waterways has proposed and consulted on that recently.

Further losses and selling off a national treasure would also represent a sell-off of the volunteer effort, which has been built up over many years, especially in places such as my constituency. A few weeks ago, I celebrated the 25th anniversary of the Stourbridge navigation trust in the company of people such as Graham Debney, Chris Dyche and Graham Fisher,

[Lynda Waltho]

who work tirelessly to keep the canal and the navigation trust going. I value their input, and a sell-off would represent selling off that input. They are a truly magnificent set of volunteers and an example to us all.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): There is a further point to make. The effort and work of many of the volunteers have created the value of the assets. Selling them off would mean selling off something that has been created through the goodwill and dedication of people such as those in my hon. Friend's constituency and, indeed, in Stoke-on-Trent.

Lynda Waltho: I agree entirely. Such people cannot understand why the Government appear to want to throw away all the investment and the work, which they have helped achieve.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend is making an excellent speech. Does she also accept that another group of people feels let down? I have tenants in my constituency who live in BW property. Those properties are being sold from underneath them, and that is unacceptable. That is not something for the future; it is happening now. It is time we did something about it.

Lynda Waltho: Absolutely. There are many stakeholders—not only users and volunteers but people's livelihoods and, as my hon. Friend says, homes are affected.

Judy Mallaber (Amber Valley) (Lab): May I mention another group? They protect not only what we have, but are such extraordinary enthusiasts—for example, the Friends of Cromford Canal—that they want to extend the current canal network. It would be tragic to lose their enthusiasm and energy.

Lynda Waltho: Again, I can do nothing but agree. Some people in the black country spend whole weeks maintaining parts of the network. For example, they keep tea rooms open, raise funds and so on day in, day out. We cannot let them down.

One of the biggest issues is how we react to BW's aim of becoming self-sufficient. Hitherto, that aim was supported by the Government, but it will become unachievable and the system will be almost entirely dependent on the taxpayer. British Waterways will lose its autonomy and ability to prioritise investment. It is this point that I wish to develop because it is the area in which we have most to lose and most to gain.

British Waterways has a vision, one which many of us share, and that is to become a third sector trust. Over time, this could actually get the cost of running the waterways off the Government's balance sheet. But it simply cannot be done overnight and would need the property portfolio to help support its operation.

In British Waterways' 20:20 vision document, it states that

"by 2022 we aim to have a thriving and sustainable waterway network cherished by the public that shares a deep responsibility for its well being".

It goes on to propose third sector status, which has the potential to offer many benefits, not least a new model of governance allowing stakeholders a greater participation and more transparent and secure funding arrangements with the Government by means of contracts and the harnessing of the support of volunteers and fundraisers who we have talked about tonight. British Waterways has consulted widely on its form and direction, aiming to respond in December and to feed into DEFRA's "Waterways for Tomorrow" paper, which details the Government's policy for the future of our waterways. To allow any sell-off at this stage would scupper any prospect of a sustainable future or indeed any meaningful future at all. It is therefore imperative that the Government give great attention to this plan or we risk selling off our heritage and mortgaging the future of our waterways.

In conclusion, I can put it no better than Tony Hales, chairman of British Waterways, when he says:

"The private sector built the canals, the public sector rescued them and I believe the third sector can be their future".

I hope that my hon. Friend the Minister can convince his colleagues in the Treasury to do just that and give us the future that we deserve.

10.37 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I congratulate my hon. Friend the Member for Stourbridge (Lynda Waltho) and the numerous hon. Friends who have turned out to support her and the waterways. This is typical of debates on waterways, which are always well attended. These are truly the constant friends of the waterways.

I know that my hon. Friend, as the treasurer of the all-party parliamentary waterways group, has been a staunch defender, over a long period, of our inland waterways and a supporter of the sterling work of the Stourbridge Navigation Trust, which has worked so hard to preserve the Stourbridge canal. I am sure that she and other Members will wish to join me in congratulating British Waterways on the rapid and professional way in which it dealt with the 2008 breach in, and closure of, a 2-mile stretch of that canal. That action saw the canal reopen after just 100 days. We saw similar decisive action, although not quite as rapid, in the case of the Monmouthshire and Brecon canal, which is also close to hon. Members' hearts.

I shall do my best to deal with all the points that were raised and the many interventions, but I hope that hon. Members will understand it if I am unable to cover all of them in the limited time available. I noted the rare resurrection, in a different context, of the third-way concept by my hon. Friend and by my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael).

Since I became the Minister with responsibility for the waterways in 2008, I have made a number of ministerial visits to our inland waterways to see for myself the many ways in which this unique national asset—this treasure—can benefit local communities. I therefore welcome this opportunity to restate the Government's commitment to our waterways, which offer so much potential to contribute to our future well-being, and I would like to take this opportunity to inform the House

that an additional £400,000 is being made available to British Waterways this year from the aggregates levy sustainability fund. Those resources will be used to modernise and automate the Lees and Old Mill locks on the River Lea, thus enabling the waterway to become an economically viable transport route, as well as a recreational route, for moving the large volume of aggregates that will be used during the fit-out period of the Olympic park transformation and the Olympic legacy phases.

Mr. Lindsay Hoyle (Chorley) (Lab): I understand how the River Lea will benefit, but does my hon. Friend agree that there is a danger that everything will be about London and the Olympics? Some of us represent areas with canals such as the Leeds and Liverpool canal, which runs through my constituency. I hope that he will ensure that we also get investment, as and when we need it in future.

Huw Irranca-Davies: My hon. Friend makes a valid point. We want to see investment spread throughout all parts of England and Wales. However, I am sure he would agree that, where we have such a significant opportunity to prove how vital the arteries of the waterways network are for transport as well as recreation, the investment that this Labour Government put in should be shown in a modern idiom such as the Olympic games. What we can see, from the investment at Prescott locks and in the Lea waterway stretch and so on, shows that we see the waterways as having a modern, vibrant and working future.

I do not think that any hon. Member here this evening will doubt that we have seen a quite remarkable improvement in the waterways over the past 10 years, a period in which this Labour Government have invested significantly in the waterways, with some £800 million provided to British Waterways alone. It is worth emphasising that point, because it is not the only investment, but simply the investment in British Waterways. That investment, together with, as has been pointed out, the considerable efforts of waterway enthusiasts, who work so hard to restore and recreate our inland waterway network, has resulted in the waterways being in a better state now than they have been since the second world war.

That is no small tribute to the constant urging and gentle pressure of the many hon. Members who have lobbied incessantly on behalf of the waterways network. Many of them are here this evening. I know that some hon. Members in the Chamber will have heard about the waterways renaissance many times, including from my lips, but it is important to recognise the priority that this Government have given, over a considerable period, to maintaining and enhancing our inland waterways, so that they can be enjoyed as they are today.

I recognise that the level of future Government support for the waterways is a concern, particularly in the face of the current severe pressure on public finances, which we cannot ignore and which will remain for a number of years to come. It is therefore even more important that the waterways can demonstrate what they are delivering for our continued investment and why they should remain a priority. We are already working with our delivery partners, including British Waterways, to address those points. For example, we are gathering further evidence about the wide range of public benefits that the waterways already provide, in order better to identify all those who benefit and to be able to quantify this benefit in monetary terms. As just one example, British Waterways estimates that its waterways alone deliver benefits of some £500 million a year.

Let me turn briefly to the point that my hon. Friend the Member for Stourbridge raised about the cut of £9.6 million and why it is not a cut of £9.6 million—this is not a conjurer's trick, but I will explain why it is not. DEFRA's grant in aid to British Waterways in 2010-11 is £52.8 million, which includes an additional £5 million that has been brought forward. The difference between that figure and the figure for 2009-10 is £4.6 million, which I acknowledge. That £4.6 million reduction in *grant in aid has been necessary as part of the need to* identify savings right across government—we are not immune from that—reflecting the current challenging fiscal environment.

The Government recognise that the waterways are a tremendous asset, and we remain committed to maintaining them. We will continue to ensure that they are given due consideration in future discussions about the allocation of resources. Without the £5 million that was brought forward, British Waterways would not have been able to carry out some of the major works projects in this year's works programme. However, in addition, British Waterways has planned £10 million in efficiency savings, which will also go some way towards reducing the gap in funding from 2011-12. However, we all know that we are indeed entering a very difficult period and we must look at ways in which the waterways can be supported so they can continue to deliver on their very real potential.

There is no easy way to close the gap between what we would like to spend on the waterways and the funding available for maintaining them from both the central Government and from commercial and other user sources. The next few years, let us make no bones about it, will be tough—they will be tough right across government—but that is why it is so important to raise awareness of what the waterways offer so that they gain wider support for delivering local and regional objectives and so that they can participate in third and private sector initiatives to mutual benefit.

I therefore plan to launch a consultation on the Government's new strategy for the inland waterways for England and Wales, called "Waterways for Everyone", before the Christmas recess. This will set out what the waterways deliver now and how we believe this might be built on to help us retain a vibrant and sustainable network into the future.

Mr. Drew: I welcome what the Minister has said, but will he give me an assurance that that will include a moratorium on existing house sales, which seem to be coming forward and causing great consternation among tenants? It is surely right that they have some assurances as well.

Huw Irranca-Davies: I understand that my hon. Friend seeks an assurance, but I must not be premature in any announcement when discussions are taking place. I know my hon. Friend is trying to tempt me, but if he could be a little patient while the useful discussions across Government Departments are continuing, I hope to be able to bring the matter home.

[Huw Irranca-Davies]

I am sure that hon. Members are, like me, already aware of the wide range of public benefits that the waterways offer. To provide just a few examples, I would mention their ability to stimulate regeneration in our towns and cities, their ability to be a focus for community activities and to provide open spaces for exercise and public enjoyment, their role in encouraging tourism, as green routes for commuters, as sources of employment and, of course, as a source of enjoyment for boaters together with the ancillary industries and businesses that boating supports.

Our intention with the production of "Waterways for Everyone" is to stimulate and support the coming together of those who might benefit more from our waterways with those charged with managing them, thus enabling the waterways' potential to be realised and their future safeguarded. By working together across government—across national, regional and local government—and with third sector and business partners, we can capture the cross-cutting and multi-functional nature of what waterways contribute to our quality of life. We are committed to making sure that the benefits from public support for the waterways are more widely felt.

Sir Peter Soulsby: Does the Minister accept that if the source of partnerships he mentions are to be meaningful and if British Waterways is to play a full part in leading those partnerships, it needs to be able to bring to the table the property assets that it has at the moment so that those assets can be used as part of the partnerships in the very constructive ways that my hon. Friend the Member for Stourbridge (Lynda Waltho) has described?

Huw Irranca-Davies: I understand why my hon. Friend is tempting me down this path to make a statement, but may I assure my hon. Friends that the Government always keep national assets under review, but that no decisions have been made regarding the disposal of assets other than those already announced?

I know that the strategy I referred to will not immediately reduce the anxiety of those who love our waterways and who have contributed to getting them in the condition they are today, but I also know that our waterways can play their part in helping us move out of recession through enhancing the value of development, through encouraging more people to holiday at home and through the creation of green jobs and volunteering activities.

The Government will continue to support the waterway authorities that we grant-aid now, taking into account the need for tough prioritisation of taxpayer-funded resources over the next few years, but we must also look to all those with an interest in the waterways to recognise what they could do themselves, and to consider how their partnership involvement might strengthen the infrastructure on which public benefits depend. The potential is great for the future, but there are also risks if the resources to maintain these benefits are not collectively found.

There are many challenges ahead in these tough and uncertain times, but I remain confident that the waterways have an important role to play for society, for the economy and for our natural and cultural environment, and I know that my hon. Friend the Member for Stourbridge and other hon. Friends in their places this evening will continue to argue vehemently that—

10.50 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 1 December 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

CITY OF WESTMINSTER BILL [*LORDS*]

Lords message (25 November) relating to the Bill considered.

Resolved,

That this House concurs with the Lords in their Resolution.—(*The Chairman of Ways and Means.*)

TRANSPORT FOR LONDON (SUPPLEMENTAL TOLL PROVISIONS) BILL [*LORDS*]

Lords message (25 November) relating to the Bill considered.

Resolved,

That this House concurs with the Lords in their Resolution.—(*The Chairman of Ways and Means.*)

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Cyprus

1. **Simon Hughes** (North Southwark and Bermondsey) (LD): What steps he is taking to support the talks aimed at bringing a resolution to the situation in Cyprus; and if he will make a statement. [302594]

The Minister for Europe (Chris Bryant): The Prime Minister and the Foreign Secretary recently met President Christofias to reaffirm our support for the settlement process, and I met both leaders in Cyprus last week. The UK has also written to the United Nations offering to cede approximately half the sovereign base area land for incorporation into a reunited island, should there be a final agreement.

Simon Hughes: The House and others will be grateful both for the Government's continuing interest and for the Minister's specific commitment to this issue. Given that many people believe that the best chance in the near future of a peaceful settlement remains while President Christofias is President of Cyprus and Mr. Talat is the President in the self-declared northern republic, what do the Government plan to do at the European Council later this month to try to move things on, and what other pressure can be exerted to try to ensure that the next few months are not yet another wasted opportunity?

Chris Bryant: The hon. Gentleman is right to say that this is a unique opportunity given that the leaders in each community have staked their political careers on desiring and willing a settlement. I saw the buffer zone last week, and it must seem to any sane person a disgrace that we still have a divided capital city in Europe, 20 years after the fall of the Berlin wall. We are determined to do everything that we can. We think that it is important that Turkey adheres to and complies with what it has said that it would do under the Ankara protocol. It is also important that Turkey continues further along the route towards accession to the European Union. Perhaps the motto that might best serve the talks at the moment is the words of Sheridan, the first Under-Secretary in the Foreign Office, when he said:

"The surest way to fail is not to determine to succeed."

We should determine to succeed.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I thank my hon. Friend for the support that the UK Government have given to the efforts to determine the whereabouts of people on both sides who have been missing since the Turkish invasion of 1974. Will he put additional pressure on the Turkish Government to reveal more information about the possible whereabouts of the remains of those missing people?

Chris Bryant: Last week, when I met the Committee on Missing Persons, it was one of the most distressing parts of my visit, as it must be for anyone who goes to Cyprus, to see so many cadavers laid out and to know that many more are missing. Their families have no sense of closure about what happened so many years ago. We will continue to put pressure on all those involved to ensure that any information that is out there can be made available to the organisation. However, it is probably going to have to speed up its work as the further we get away from those events, the more difficult it is to find answers to what happened.

Mr. Mark Francois (Rayleigh) (Con): Like the Minister, I too have visited Cyprus this year and we would all like to see progress towards a lasting settlement. He mentioned the buffer zone. Given the vital need to maintain public support for the process on both sides, does he believe that there is now scope for further confidence-building measures such as opening extra border crossings, to try to demonstrate to people across the island that real progress is being made and a settlement is yet possible?

Chris Bryant: I agree with the hon. Gentleman that the more confidence-building measures can be put in place, the greater the likelihood of maintaining political support for the talks and for any eventual solution. My own feeling of optimism rose dramatically when I spoke to the individual leaders who are actively involved in the talks, but sometimes when I spoke to the media my optimism plummeted. Sometimes the media in Cyprus are overly sceptical and cynical about the process. I think that there is significant progress being made and it is important that agreement has been reached to intensify the talks in the new year.

Afghanistan

2. **Mr. Bernard Jenkin** (North Essex) (Con): What progress is being made towards holding a conference on future policy on Afghanistan in January 2010 as proposed by the Prime Minister in his Guildhall speech? [302595]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The London conference on Afghanistan will be held on 28 January 2010. The purpose is to mobilise international efforts in support of a combined military and political strategy in Afghanistan. In addition to the Government of Afghanistan, partners in the international security assistance force, Afghanistan's immediate neighbours and international institutions are being invited.

Mr. Jenkin: What is the objective political end state that the allies are seeking to achieve in Afghanistan?

David Miliband: The shared objective across the international community is an Afghan Government and security forces that are able to defend themselves from being overrun by a Taliban misrule that would eventually become a safe space for al-Qaeda. To make that possible, we need to wage a genuine counter-insurgency struggle on both sides of the Durand line—in both Afghanistan and Pakistan—in partnership with the Afghan Government and the Pakistani Government.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Is the conference likely to discuss the prospect of a high commissioner for Afghanistan? What is his view on the current campaign against Kai Eide, the head of the UN mission in Afghanistan? Is that campaign likely to have a negative impact on politics in Afghanistan?

David Miliband: Kai Eide is the UN special representative in Afghanistan and has a very important role at the head of the United Nations Assistance Mission in Afghanistan. There will be mourning across the House for the loss of UN staff in Afghanistan, a number of whom were killed in a terrible incident last month. That civilian leadership from the UN is very important, and I think that Kai Eide has done his work in a professional and appropriate manner.

I spoke to Kai Eide when I was in Kabul last week and emphasised to him our continued commitment not just to the role of the UN, but to his leadership. Obviously, it is up to him how long he goes beyond his two-year mandate for which he was appointed. I also point out to right hon. and hon. Members that there is an important civilian role in the international security assistance force—NATO has nominated a civilian to play a role in ISAF to ensure that the latter's operations are linked properly to the civilian side. In that sense, it is important that civilian leadership is provided both through the UN and in ISAF in Afghanistan.

Sir Menzies Campbell (North-East Fife) (LD): If, by the time that the conference is held, it has become clear that President Karzai is unwilling, or unable, to fulfil his obligations, will the conference be able to accept and embrace a provincial, rather than a national strategy to prevent President Karzai from being an obstacle to progress?

David Miliband: Since the Prime Minister's statement at the Dispatch Box in December 2007, the importance of the local governance agenda in Afghanistan—not just at the provincial level, through the 34 provinces, but at the district level, through the 394 districts—has been at the centre of the Government's work.

I am sure that the right hon. and learned Gentleman knows that Afghanistan is a country of some 40,000 villages and has rarely been governed from Kabul; it has been governed by local tribal structures. That is why it has been at the heart of the endeavours of the Government and the international community to ensure that, as well as forging the appropriate partnership in Kabul, we strengthen, wherever possible, local governance—that means provincial and district governance—and that remains our commitment.

Ann Clwyd (Cynon Valley) (Lab): As my right hon. Friend knows, at the start of the conflict, considerable attention was given to the situation of women in Afghanistan. According to the report from the UN high commissioner for human rights, she is concerned that the Afghan Government do not seem to be giving enough attention to the protection of women. What can we do in this conference to bring the situation of women to the fore of the agenda again?

David Miliband: My right hon. Friend makes an important point. At every stage, we should be stressing our commitment to the constitution of Afghanistan, which gives equal rights to all its citizens and should provide the ring within which any former insurgents are willing to return to the political system. The constitution of Afghanistan should be the benchmark by which all Afghan Governments and international partners are held to account.

Mr. Keith Simpson (Mid-Norfolk) (Con): Yesterday, the Prime Minister announced a series of benchmarks for the Afghan Government, including that all 400 provinces and districts must appoint a governor free of corruption within nine months. We assume that when the conference takes place on 28 January, President Karzai will be held to those benchmarks, but will the Foreign Secretary tell the House how they will be monitored, how "free from corruption" will be determined, and by whom, and what penalties there will be if the various deadlines that the Prime Minister laid down have not been met?

Mr. Speaker: I say to the Foreign Secretary that there were three questions there, but that one answer will suffice.

David Miliband: The answer is that, by definition, the conference is in two months, and even the timeline to which the hon. Gentleman referred is nine months. Of those benchmarks, the 34 provincial governor appointments are, of course, key, and it is well understood, within Afghanistan and internationally, what constitutes fair and effective governance. I stress that that also applies at district level, which he mentioned. At each stage, whether in respect of police or army training, or gubernatorial appointments, the international community will take a collective view, as will the people of Afghanistan.

Afghanistan-Pakistan

3. **Ann Winterton** (Congleton) (Con): What recent assessment he has made of the political situation in the Afghanistan-Pakistan border area. [302594]

David Miliband: The Afghanistan-Pakistan border region is ungoverned, unstable and a haven for terrorist and militant groups, including al-Qaeda. Countering that threat needs the Afghan and Pakistani Governments to work within their own jurisdiction and, crucially, together on their shared problems of terrorist activity, narcotics and weapons trafficking and limited economic opportunities. We continue to encourage such collaboration and make our contribution to the international effort to support effective counter-insurgency in both countries and on both sides of the border.

Ann Winterton: Does the Secretary of State agree that one of the most deep-rooted problems is the unrecognised Durand line, which is as critical today as it was in 1893, when it split the tribal areas, which the Afghans called Yaghistan, the land of the unruly? How can we now expect Pakistan to sort out that border, which is the legacy of a colonial past?

David Miliband: The hon. Lady will know that there are many legacies of the colonial past, not least on the Pakistan side of the border, where the Frontier Crimes Regulation of 1903 remains the basis of the legal system and political parties continue to be banned 61 years after independence. Although I know what she means when she says that the Durand line is unrecognised, in fact it is recognised by everyone, but also disputed by everyone, so it is a disputed line rather than an unrecognised line. I hope that she will agree with me that the issue today is not redrawing the Durand line, which would not be a source of progress anywhere; rather, what both sides of the border need is the sort of stability that can come from effective institutions, and not just military institutions, but political and economic institutions ones. Sadly, they have been lacking for too long on both sides of the border.

Andrew Mackinlay (Thurrock) (Lab): The Foreign Secretary made reference just now to our contribution to counter-insurgency, as did the Prime Minister yesterday. Can he tell the House whether a D notice was in existence prior to yesterday's announcement by the Prime Minister of the numbers of special forces deployed to the region and if so, why it was in existence before that statement and why it was no longer necessary after it?

David Miliband: To make sure that there are absolutely no mistakes in this often tangled territory, I will write to my hon. Friend with an answer to his question and ensure that there is a full understanding in all parts of the House.

Mr. Keith Simpson (Mid-Norfolk) (Con): Let us try one question for the Foreign Secretary. Is he confident that the Pakistan army and, in particular, the intelligence services are prepared fully to undertake their commitments in dealing with the Taliban and al-Qaeda?

David Miliband: I hope that the hon. Gentleman will understand that even when he says "the Taliban", he sets out the complexity of the situation. He will know better than I that the Pakistani authorities, including the Government and Inter-Services Intelligence, are absolutely clear about their obligations to take on the Pakistan Taliban. The argument that is happening is about the Pakistani authorities' responsibilities in respect of the so-called Afghan Taliban. The distinction has been strongly drawn in Pakistan between those groups that are dedicated to the overthrow of the Pakistani state, relative to those other groups that are a threat to our troops and to those on the Afghan side of the border. Our argument—or, most recently, my discussion with the Foreign Minister of Pakistan at the Commonwealth conference on Friday—was to say that the multiple insurgencies that threaten Pakistan need to be addressed together. He understood that point, but he also made the fair point that, for public opinion in Pakistan, the first priority is to get a grip on the various organisations—not just the Pakistan Taliban, but Lashkar-e-Taiba, which we discussed in the House during the debate on the Queen's Speech. That remains the case, but from our point of view, it is essential that the Pakistani authorities address the multiple insurgencies that provide a home for al-Qaeda, as the Prime Minister said yesterday.

Mr. Denis MacShane (Rotherham) (Lab): But is not the political situation worsened by the propaganda that argues that the west is fundamentally anti-Muslim? That was not helped by the Swiss referendum result on Sunday or the unfortunate intervention by the Leader of the Opposition last week, for which he graciously apologised. Can my right hon. Friend find an opportunity to make a speech insisting that Britain is not an anti-Muslim nation? We have to keep stressing that in order to make it clear.

David Miliband: I hope that my right hon. Friend will look back at the speech that I made in May at the Oxford Centre for Islamic Studies, in which I addressed that issue among many others. It is a complete calumny to suggest that anyone in this House sees the war in Afghanistan as part of an anti-Muslim effort of any kind whatever—certainly no one in the Government believes that, and I do not believe it to be the case in any part of the House.

I do think, though, that it is very important to continue to emphasise that the vast majority of Afghans, Muslims as they are, do not want to side with the Taliban and do not want to go back to Taliban misrule. The greatest resource we have in the counter-insurgency in Afghanistan is the fact that the Afghan people do not want to go back to the 1990s—and nor do we.

Mr. David Heathcoat-Amory (Wells) (Con): Question 5, Mr. Speaker.

The Minister for Europe (Chris Bryant): Reform of the EU budget has not been discussed recently at the General Affairs and External Relations Council—

Mr. Speaker: Order. I think that the Minister was seeking a grouping.

Chris Bryant: I apologise.

EU Budget Reform

5. **Mr. David Heathcoat-Amory** (Wells) (Con): What recent discussions he has had in the General Affairs Council on reform of the EU budget. [302598]

9. **Philip Davies** (Shipley) (Con): What recent discussions he has had in the General Affairs Council on reform of the EU budget. [302602]

Chris Bryant: As I was saying before I was interrupted—*[Interruption.]*

Mr. Speaker: Order. I know the hon. Gentleman will accept that my interruption was both necessary and helpful.

Chris Bryant: And they are getting more necessary and more helpful, Mr. Speaker.

Reform of the EU budget has not been discussed recently at the General Affairs and External Relations Council. The Government remain committed to far-reaching reform of the EU budget, refocusing it on jobs and growth, driving the transition to a low-carbon economy, tackling climate change and ensuring security, stability and poverty reduction.

Mr. Heathcoat-Amory: The hon. Gentleman will know that the Lisbon treaty was sold to us on the basis that it would make matters simpler and also more efficient. Why, then, has the European Scrutiny Committee just been told of a supplementary bid for next year's budget of another £22 million to pay for additional European Council events, for the salary entitlements and travel costs of the new President of the Council, for another 50 posts and for more media coverage and medical expenses? Why have—

Mr. Speaker: Order. We have got the gist and that is quite long enough.

Chris Bryant: The right hon. former Minister for Europe knows perfectly well the process that operates—that the European Parliament makes its bid every year for its budget for next year; that is precisely the process that we are going through at the moment.

Philip Davies: Given that the accounts of the EU have not been signed off by the auditors for 15 years running, why do the Government keep giving more and more money to the EU? Surely if the Government are serious about reform of the EU budget, they should say that the EU will not get a penny more from the British Government until it gets its accounts properly audited.

Chris Bryant: The hon. Gentleman knows perfectly well that if we were to follow his policy, which is to get out of the EU, it would significantly harm British interests. He knows perfectly well, too, that, as the director general of the British Chambers of Commerce, David Frost said only a few weeks ago: "Business", by which he meant British business,

"wants a pragmatic approach to the EU, not an ideological one"

such as the hon. Gentleman's.

David Taylor (North-West Leicestershire) (Lab/Co-op): The EU estimates its costs to the UK at £15 per person a year, while the Europhobic *Daily Express* assesses it as £250 per family a year and the TaxPayers Alliance—the Tory party agitators of the hon. Member for Shipley (Philip Davies)—put it at an astonishing £2,000 per person a year. Which of these figures remotely resembles the truth?

Chris Bryant: None of those figures remotely represents the truth. The truth of the matter is that if Britain were to leave the EU, the cost in terms of jobs, the cost in terms of business opportunities and the costs in terms of trade would be phenomenal to every single family in this country.

Mr. Tom Watson (West Bromwich, East) (Lab): Does the Minister agree with the General Affairs Council committing resources to negotiating a new trade deal with Colombia, when the Government of Colombia are allowing the extra judicial slaughter of dozens of trade unionists?

Chris Bryant: My hon. Friend is absolutely right that there is a very serious human rights situation in Colombia. He knows, I think, that I have visited the country and I think he may be about to visit it himself. This is an issue that I raised directly with the President, Mr. Uribe. In moving forward to any trade deal with Peru and Colombia, I think it right not only to address the issue of Scotch whisky but also to ensure that there are robust and enforceable human rights clauses in place.

Mr. Mark Francois (Rayleigh) (Con): In December 2005, this Government cut Britain's originally non-negotiable EU rebate by £7 billion in return for a vague promise of a review of the EU budget that has not yet been delivered. Some four years on, can the Minister say when the European Commission's communication setting out proposals for budget reform will formally be published?

Chris Bryant: The hon. Gentleman is completely and utterly wrong. The main reason why we reached the negotiated settlement that we reached at the time was that not only did we believe that enlargement was right and proper for the European Union and good for British interests, but we were prepared to pay the price of that enlargement, as were several other countries. The hon. Gentleman often wants to will the ends, but never the means.

Mr. Francois: The former Prime Minister came back to the House and said that he would negotiate a deal on the basis of budget reform. We were here, and we remember it. In view of the lamentable negotiating performance by the present Government, and the French President's ability to claim just last week that the British were big losers from the recent EU summit, does the Minister now understand why people in this country no longer believe that the Government are capable of securing our financial or economic interests in the European Union?

Chris Bryant: The hon. Gentleman talks of influence in the European Union. What influence can you have when you have absconded from the main European groupings in the European Parliament, when you are not able to secure a single European Commissioner for your grouping, and when you are not able to secure a single vice-president in the European Parliament?

As for the Committee on Economic and Monetary Affairs, when 12 portfolios on financial and economic issues that were important to Britain were handed out, not a single Conservative Member of Parliament was given one of those portfolios, but two were given to the Labour party. So the hon. Gentleman cannot talk about influence in Europe.

Falkland Islands

6. **Mr. Philip Hollobone** (Kettering) (Con): What recent representations he has received on international recognition of the Falkland Islands as a United Kingdom overseas territory. [302599]

The Minister for Europe (Chris Bryant): The Government have no doubt about their sovereignty of the Falkland Islands. The principle of self-determination underlies that. Nevertheless, Argentina unfortunately continues to make regular representations on its supposed claim to sovereignty.

Mr. Hollobone: It is in the best interests of Britain and the Falkland Islands for there to be as much international support as possible for the present status of the islands. In that context, how many members of the United Nations—there are 192 of them—recognise the islanders' right to self-determination, and their choice that the islands should be a United Kingdom overseas territory?

Chris Bryant: That is fundamentally recognised throughout the international community. We constantly make representations to those who want to question the issue, but I have absolutely no doubt about the position in the Falkland Islands. It is good that next-of-kin visits from Argentina have been possible, and we seek good relations with Argentina, but not on the basis of discussing sovereignty.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): As my right hon. Friend will know, next of kin of those who died on both sides in the Falklands war have always been able to visit the graves, but there were difficulties over a larger visit following the 25th anniversary of the conflict. Is he able to update the House?

Chris Bryant: I am grateful to my hon. Friend for raising the issue of next-of-kin visits. There was a substantial visit recently, and I pay tribute to all on the Falkland Islands who made it possible for that to happen with dignity and true respect for those who had died on both sides of the conflict. I know that several Members were able to play in a rugby match against members of the Argentine congress, and that the Argentine team was led by someone who had fought for the Argentines in the Falkland Islands. I believe that the respect between the two countries is intimate.

Afghanistan

7. **Mr. Eric Illsley** (Barnsley, Central) (Lab): What is his latest assessment of the political situation in Afghanistan; and if he will make a statement. [302600]

12. **Sir Malcolm Rifkind** (Kensington and Chelsea) (Con): What recent assessment he has made of the political situation in Afghanistan; and if he will make a statement. [302605]

David Miliband: I refer my hon. Friend and the right hon. and learned Gentleman to the Prime Minister's statement to the House yesterday. President Karzai was inaugurated on 19 November, and we await the formation of his Cabinet. The international community needs to work with the Afghan Government to make progress on the five issues that were identified as priorities in President Karzai's inauguration speech.

Mr. Illsley: Does not the suggestion of a United States high representative or chief executive to work alongside President Karzai somewhat undermine his already fragile legitimacy? If and when that proposal becomes a reality, will the British Government support it?

David Miliband: I am not sure whether my hon. Friend is referring to the international civilian leadership or the idea that there should be a reformed administrative structure inside President Karzai's office. The discussion that I have heard in the past is of Afghans filling those roles, rather than Americans or others. I will certainly follow up the report my hon. Friend is concerned about, but the idea that Afghanistan should be run by the Afghans, and the sooner the better, has always been at the heart of our approach.

Sir Malcolm Rifkind: Notwithstanding the increasing attention being given by both President Obama and the Prime Minister to an exit strategy for NATO forces, will the Foreign Secretary confirm that, even when NATO ground forces are completely withdrawn, it will continue to be necessary to provide NATO air support to the Afghan Government, probably for the foreseeable future? Is it not the case that just as it was a combination of NATO air power and Afghan ground forces that drove the Taliban out in the first place, so it will be that same combination that will keep them out of power in the future?

David Miliband: The right hon. and learned Gentleman makes an important point. At present, in most parts of the country the Afghan forces are being trained by international forces, and international forces are having to undertake leadership in combat operations. We very much hope that, in line with President Karzai's commitment, within five years all provinces in the country will follow Kabul in having Afghan security leadership. However, that will not mean the end of international support for the Afghan forces and of air support of the kind the right hon. and learned Gentleman describes, and the so-called overwatch role that was developed for the circumstances of Iraq will remain an issue beyond that date. It is important, however, to signal the current priority, which is to transfer the leadership of combat operations to the Afghan forces.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): My right hon. Friend referred to international civilian leadership and the importance of strengthening that if we are to succeed in our overall goals, and the Prime Minister said yesterday that that would be a major topic at the London conference. Will the Government consider strengthening it through the important means of co-ordinating its efforts, and perhaps even, temporarily, through the integration of its efforts with those of General McChrystal on the military front?

David Miliband: My hon. Friend makes an important point. As he knows, civilian-military co-ordination is essential in provincial reconstruction teams around Afghanistan. In Helmand province, where most of the British forces are, there is a combined military and civilian team, being led, as it happens, by an official from the Department for International Development, previously an official from the Foreign Office. That sort of integration of, and co-operation between, the military and civilian sides of the effort is essential, and I hope we see it being replicated at national level. The two roles of the head of the United Nations and the NATO representative in ISAF will be critical to achieving that.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Prime Minister talked yesterday about political reforms to produce governors appointed on merit and free from corruption. Is it envisaged that the process to achieve that will involve removing existing governors, and is it also envisaged that the new governors will ever acquire any political legitimacy of their own, other than being appointees of President Karzai?

David Miliband: In my experience of travelling to Afghanistan and talking to people there and of studying the situation in that country, the credibility of the governors at provincial and district level comes from the work they do and the way they do it. Those governors who have shown themselves to be dedicated to the interests of the people of their province have won widespread support, significantly through community councils, but also through other ways of engaging with the local population. In this case, therefore, the proof of the pudding is in the eating. The governors who perform well, gain confidence; those who turn out to be placemen, or to be in it for their own interests, quickly lose the confidence of both Afghans and the international community.

Mr. Davey: I hope some of the governors currently in post will be removed during that political reform process, but how does the Foreign Secretary see the much needed process of reconciliation and reintegration working at district and local level? Will it be organised by these new governors, and will the ISAF coalition fund such Afghan-led reconciliation work at the local level?

David Miliband: The hon. Gentleman makes an important point. We talk about reintegration at local level. Reintegration is for the middle and high-level commanders, and at the local level it will need to be Afghan-led and internationally supported. There will be different ways of arranging it in different parts of the country—sometimes at district level, at other times, where a larger reintegration needs to be achieved, at provincial level. One important point worth making to the House is that the reintegration effort only succeeds when the other side of the coin is a military and security effort, first because those in the insurgency need to know the risk that is carried by continuing the insurgency, but also because they need to know they will be properly protected if they come within the constitutional set-up.

Mr. David Crausby (Bolton, North-East) (Lab): We have been in Afghanistan long enough to know where every poppy field is, so can my right hon. Friend tell me when we will put an end to the vile trade in heroin, which does so much damage in Afghanistan and on the streets of Britain?

David Miliband: My hon. Friend makes an important point. He will be pleased, as I am, that the past two years' poppy crop has been significantly down; I stand to be corrected, but I believe that there has been a 30 per cent. fall and then a 22 per cent. fall, and that the number of poppy-free districts has increased to 21. He will be as concerned as I am at the high level of poppy production that remains. Our experience is that there are two key factors to turning this round, the first of which is security—because poppy production is the product of insecurity—and the second of which is a decent economic price for licit production, notably of wheat.

Middle East (Nuclear Proliferation)

8. **Mr. David Jones** (Clwyd, West) (Con): What recent assessment he has made of the levels of nuclear proliferation in the middle east; and if he will make a statement. [28560]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): The prospect of a nuclear-armed Iran remains the most immediate proliferation threat to the middle east. Iran needs to co-operate fully with the International Atomic Energy Agency and comply with five United Nations Security Council resolutions calling for it to suspend its enrichment programme.

Mr. Jones: Iran's announcement that it intends to build another 10 uranium enrichment plants may or may not be mere posturing, but in any event, it amounts to provocative defiance of the will of the international community, as expressed in the IAEA resolution. At what point does the Minister consider that economic sanctions against Iran will become inevitable?

Mr. Lewis: First, we should not be distracted by the announcement made this week. The issue is that after six years of engagement and five UN Security Council resolutions Iran has still refused to comply with its responsibilities under international law. What has been agreed by the international community is that there will be a meeting of officials of the E3 plus 3 this month, an assessment will be made of the engagement strategy so far, and at that time an appropriate judgment will be made about the next stage. What is clear is that the international community will not tolerate Iran developing nuclear weapons. Not only is that a threat to the stability of the middle east, but it would also trigger an arms race in that region, which would have no limit.

Andrew Gwynne (Denton and Reddish) (Lab): But what representations has my hon. Friend made to the newly appointed European Union High Representative for Foreign Affairs and Security Policy to ensure that, as is crucial, a single voice comes out of the European Union against the Iranian uranium enrichment policy?

Mr. Lewis: My hon. Friend is right to make the point that we need the EU speaking with one clear, loud voice and making it clear to Iran that we stand together on

this issue. My right hon. Friend the Foreign Secretary will meet the new High Representative this week to that end.

Mr. David Lidington (Aylesbury) (Con): The IAEA director general has said:

"We have effectively reached a dead end"

on Iran. Given that, does the Minister agree that we need to be talking about a new UN Security Council resolution, which should include a total ban on arms sales to Iran, a tough UN inspections regime and action against the Iranian Islamic revolutionary guard corps, which is deeply involved in Iran's nuclear and ballistic missile programmes?

Mr. Lewis: What is important is that it is absolutely clear that despite the international community's reaching out a hand towards Iran, requesting diplomatic engagement and saying that we want a political solution, and despite the speech in which the new President of the United States made those points, Iran has still refused to engage: for more than a year, it has not engaged with the UN's nuclear watchdog in any way. If, at this stage of reappraisal, the best way forward is found to be a United Nations resolution about further sanctions against Iran, we will take that view seriously.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is clear that Iran has not listened to anything that anybody has said for the past six years and is proceeding irrespective of any representations made, so talk of further sanctions is really neither here nor there. However, may I press the Minister a little further? Having P3 and E3, and talking to the new High Representative, is still not a proper European position. Will he say exactly how the three E3 countries—Germany, France and the United Kingdom—intend to work with the rest of the European Union and the new High Representative to bring some clout to the table?

Mr. Lewis: The General Affairs Council is due to meet next week. There will be an attempt to get complete EU unity on this issue, so that we can go forward to the December E3 plus 3 meeting with a common EU position. We will then consider the case for a UN Security Council resolution.

Middle East Peace Process

10. **Andrew Selous** (South-West Bedfordshire) (Con): What his most recent assessment is of progress in the middle east peace process. [302603]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): There is more consensus in the international community than there has been for many years about the basis for a resolution of the dispute between Israel and the Palestinians, but the parties are moving further apart. Those Palestinians and Israelis who are committed to the idea of a Palestinian state based on 1967 borders, with Jerusalem as the shared capital and a fair settlement for refugees, appear smaller in number and weaker in politics than ever before. However, the US Administration are engaged in a good-faith endeavour to bridge the gap. We will continue to support those efforts, because the alternatives for the people of Israel, Palestine and the rest of the region look so much worse.

Andrew Selous: I am sure that the Foreign Secretary will agree that education and hope for the future are important for peace in the middle east so, to that end, may I ask him to have a word with his Israeli counterpart about the 8,000 desks that the UN has imported into Gaza for schoolchildren? They cannot be assembled because the Israelis will not let the nails come in. Will he commit to have a word on that subject?

David Miliband: The hon. Gentleman raises a very important point, and I shall certainly raise it. We have raised many issues over the past year—or certainly since January and the end of Operation Cast Lead—about the grip that exists at the checkpoints, in terms of both the volume of trade and the items that are allowed in. I have never heard that item referred to before, but the hon. Gentleman raises a very important point and I shall certainly follow it up.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What lessons does my right hon. Friend draw from Iran's recent attempt to send 500 tonnes of weapons to Hezbollah? The weapons were disguised as civilian cargo, and some of them as construction materials, but thankfully the attempt was intercepted and thwarted by the Israelis.

David Miliband: We must learn two lessons. The first is that we must never underestimate the extent to which some will go to get further weapons into Gaza, and the second is that we must follow up every aspect of resolution 1860—*[Interruption.]* I beg my hon. Friend's pardon: she referred to Hezbollah and not to Gaza. We should never underestimate the extent to which some will go to arm terrorist groups all across the region. Secondly, we should not underestimate the extent to which the international community needs to come together to follow through on repeated resolutions, in the UN and elsewhere, to support all states in the region that are committed to coexistence. That is what we will certainly do.

Foreign Prisoner Release

11. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): If he will hold discussions with the Scottish Executive on co-ordination of policy on release and removal from the country of foreign prisoners held in UK prisons. [302604]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I understand from my right hon. Friend the Secretary of State for Home Affairs that no discussions are planned with the Scottish Executive on these issues. The release of any prisoner in the Scottish prison estate is a devolved matter for the Scottish Executive. Deportation of foreign national prisoners remains a reserved matter for the UK Border Agency.

Daniel Kawczynski: What lessons have the Minister and the Government learned from the release of Mr. al-Megrahi to Tripoli? The Government's total silence at the time brought great shame and embarrassment to

our country. Will he interact properly with the Scottish Executive in future to ensure that such embarrassments do not happen again?

Mr. Lewis: My right hon. Friend the Foreign Secretary made a statement to the House that set out very clearly the terms of the release of al-Megrahi. As the hon. Gentleman knows full well, the decision was entirely a matter for the Scottish Executive, and he was not even in the House when my right hon. Friend made his statement.

Mr. David Drew (Stroud) (Lab/Co-op): But does my hon. Friend agree that the normal process should be that foreign prisoners who have committed an offence should serve their sentences in their country of origin, unless it would not be safe for them to do so, or their crimes are so unacceptable that they should remain here?

Mr. Lewis: That depends entirely on the nature of the agreements that we have with other countries. The agreements that the Home Office has with other countries vary according to our relationships with those countries, so such decisions have to be made on a case-by-case basis.

EU Informal Meeting

13. **Miss Anne McIntosh** (Vale of York) (Con): What the outcome was of the informal meeting of EU Heads of State or Government on 19 November 2009; and if he will make a statement. [302606]

The Minister for Europe (Chris Bryant): The special European Council on 19 November came to unanimous agreement on the appointment of Herman Van Rompuy as the first permanent President of the European Council, and of Baroness Cathy Ashton as the new High Representative for Foreign Affairs and Security Policy.

Miss McIntosh: Does the Minister not regret being outmanoeuvred by our partners on the spurious grounds of gender equality when we could have taken home the prize of one of the most important financial and economic EU Commissioner posts, which would have been of great benefit to the City of London?

Chris Bryant: No. The hon. Lady was a rather more pragmatic and sensible pro-European when she was a Member of the European Parliament. She knows perfectly well that these are good appointments. The appointment of Cathy Ashton as High Representative will be especially good because we need Europe to play a far more effective role on the global stage, and she is a woman who will bring that about. I welcome the appointment of Michel Barnier as the Internal Market Commissioner, and I merely note that the hon. Lady's party wants to dismantle elements of the internal market, which would be wholly inappropriate.

Zimbabwe

14. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent assessment he has made of the political situation in Zimbabwe; and if he will make a statement. [302607]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband) *rose—*

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis) *rose—[Laughter.]*

David Miliband: I say to my hon. Friend the Minister of State that you have to be quick in this game. The notes for the reply say that the Minister answering is "Ivan Lewis", so I apologise—but hesitation and deviation are both punished in this House.

The inclusive Government continue to make progress on economic reform, but we are disappointed by the slow pace of political reform, the spasmodic violence and the continuation of human rights abuses. The Southern African Development Community agreed at its Maputo summit to push for further implementation of the global political agreement in Zimbabwe, but the proof will be in the delivery. We urge all parties, as the Commonwealth did on Sunday, to stick to the agreement and comply with it.

Mr. Swayne: Is it not clear that there can be no real change while Mugabe remains? Will the Secretary of State confirm that it is absolute nonsense to speak of readmission to the Commonwealth while the current situation persists?

David Miliband: The hon. Gentleman will know that Prime Minister Tsvangirai has committed to the global political agreement, which is a transitional agreement to renewed elections over an 18-month period. The Commonwealth, the British Government and others have said that that all parties must stick to that agreement. If that happens, the future of Zimbabwe can be turned away from the terrible descent into violence and economic chaos into which Mugabe took the country.

Topical Questions

T1. [302619] **Mike Gapes** (Ilford, South) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The Commonwealth Heads of Government met in Trinidad and Tobago between 27 and 29 November. The meeting underlined the Commonwealth's strength through its diversity and ability to promote action, and the importance of its core values. We saw strong support for a deal in Copenhagen and agreed a UK proposal for a Copenhagen launch fund, as well on calling on Zimbabwe's coalition partners to respect their commitments and restore democracy and the rule of law. The Commonwealth also agreed to set up an eminent persons group to consider the modernisation of the Commonwealth, including its systems and priorities, to prepare it for the future.

Mike Gapes: Following the overwhelming and welcome vote by the board of the International Atomic Energy Agency and the subsequent capture and detention of British civilian yacht competitors, will the Foreign Secretary update the House on the current state of relations between the UK and Iran?

David Miliband: First, I should say that I am sure that hon. Members on both sides of the House look forward to the prompt release of the yachtsmen, who were in their yacht between Bahrain and Dubai purely for sporting purposes. The consular case is being pursued in London and Tehran. In the light of my hon. Friend's question, it is important to say that there is no link at all between the position of the yachtsmen and the Iranian nuclear file or other political issues between Iran and the rest of the international community. We very much look forward to the yachtsmen being released on a consular basis. We understand that they are being treated well in Iran, as we would expect. As I said outside the House earlier today, we are working closely with the Iranian Government to ensure that the release happens as quickly as possible.

T4. [302622] **Andrew Stunell** (Hazel Grove)(LD): There are 50,000 Christians displaced in Orissa state, and the Indian Government's compensation scheme appears to have stalled. Will the Secretary of State tell the House what representations he has made to the Indian Government to get the compensation scheme flowing again and the displaced persons resettled?

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I can update the hon. Gentleman. The British high commissioner visited Orissa and spoke to the state authorities only a couple of weeks ago specifically about this issue. They advised the high commissioner that the state-run camps have been closed, that affected Christians have now been returned to their homes, that compensation has been provided, and that the perpetrators have been convicted. Of course, we will continue to monitor the situation.

T2. [302620] **David Taylor** (North-West Leicestershire) (Lab/Co-op): When the world comes together in Copenhagen this weekend for the United Nations climate change conference, will our Government press for an amended and extended Kyoto protocol, with a second commitment period of emission reduction targets for industrialised countries as an absolute priority for those crucial negotiations?

David Miliband: My hon. Friend raises a very important matter. Every industrialised country must come forward with a binding emissions target, both intermediate and long term. However, one difference between the Kyoto protocol and the Copenhagen agreement is—I hope—that at Copenhagen, every country in the world will make a commitment to ensure that it does not proceed with business as usual. After all, 90 per cent. of the increase in carbon emissions over the next 50 years will come from developing countries rather than industrialised countries. While we cannot expect absolute cuts from many developing countries, we can help them to ensure that they do not proceed on a high-carbon development path.

T5. [302624] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): As part of its strategy on child rights published in August 2007, the FCO said that it would work closely with, and continue to consult, the child rights panel

"to discuss and continuously develop this strategy."

Will the Secretary of State tell the House when the child rights panel last met, and what plans there are for it to meet again in the near future?

Mr. Ivan Lewis: The hon. Gentleman is right to say that child rights are an integral part of British foreign policy objectives. The panel meets on an ad hoc basis when and if necessary. It is true that it has not met for some time. The last time we called a meeting of child rights stakeholders was in July this year to assist our work revising the FCO's children and armed conflict strategy. We want children's rights to become a mainstream integral part of our work, and we will convene that panel when necessary.

T3. [302621] **Mr. Andy Reed** (Loughborough) (Lab/Co-op): Rwanda has made tremendous progress in the past 15 years, leading to its accession to the Commonwealth at the weekend and today's announcement that it is largely mine-free. What steps can the Government take to consolidate that progress through work with the Westminster Foundation for Democracy and by building good governance, not just in Rwanda but across the rest of east Africa, to assist those countries, particularly from the point of view of good governance and of development?

The Minister for Europe (Chris Bryant): My hon. Friend is right. We, too, welcome the accession of Rwanda to the Commonwealth. We think that this is an important point at which Rwanda can seize hold of the values and principles to which the Commonwealth adheres, and make them prominent in its constitution and in its way of life. We work closely with the Government in Kigali to try to enforce key messages on media freedom and good governance and to support the national Human Rights Commission, and we will continue to do so.

T6. [302625] **Mr. Andrew Pelling** (Croydon, Central) (Ind): What has been done to improve further our relations with Japan, particularly with the new Democratic Party of Japan Government? We have many shared interests in international security—the new H-2A rocket has recently been launched by Japan—and we can learn a lot from its experiences in dealing with a low-growth economy.

Mr. Ivan Lewis: The hon. Gentleman is right to draw attention to the importance of our relationship with Japan, particularly given the election of the new Japanese Government. Since that Government were formed, there have been UK ministerial visits to Japan by the Minister with responsibility for defence equipment and support, by the Minister for Science and Innovation, and by the Secretary of State for Business, Innovation and skills. The Prime Minister has met the new Japanese Prime Minister on at least one occasion. We very much welcome Japan's bold initiative on climate change, and its recent announcement of a £5 billion assistance package to Afghanistan. We want to continue to deepen and strengthen our relationship with Japan.

T7. [302626] **Barry Gardiner** (Brent, North) (Lab): Last Thursday evening was the first anniversary of the Mumbai bombings, in which 165 people died, many of them friends and relatives of my constituents. The involvement of the Inter-Services Intelligence in the

planning of those bombings is widely known, yet there has not been co-operation by the Pakistani Government to bring the perpetrators to book. What can my right hon. Friend do to ensure that pressure is brought to bear on the Pakistani Government on this matter?

David Miliband: My hon. Friend, who has a long record as a deep, deep friend of India, is right to raise this terrible anniversary. The Prime Minister and I both conveyed to Prime Minister Singh the deepest sympathy and condolences of the British people on the first anniversary of the terrible Mumbai attacks. As for the prosecution of those involved, my hon. Friend will know that seven people have been charged in the Pakistani political system—or rather, in the Pakistani criminal justice system—for their role in the Mumbai attacks. We have been urging the Pakistani authorities to proceed with those trials at the earliest opportunity. This is an issue that we will take up again with Prime Minister Gillani when he comes to London on Thursday.

T8. [303627] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): Ascension Island faces bankruptcy next June because of the ongoing dispute between the FCO and the Ministry of Defence over just £600,000 of unpaid taxes. The island's school is set to close, and many St. Helenians are set to lose their jobs. Will the Foreign Secretary finally get a grip of this ongoing dispute, bang heads together and sort the issue out?

Chris Bryant: I am grateful to the hon. Gentleman for raising this issue. He had an interesting visit to the island earlier this year. He has mentioned these issues to me several times, and I am happy to say to him that I have every intention of trying to resolve them as a matter of urgency. I am meeting my counterpart in the Ministry of Defence tomorrow or the day after, and I hope that we will be able to have the matter resolved in time for the Overseas Territories Consultative Council.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Russia has a crucial role to play in the future security of energy provision to this country and the EU. Can the Minister give us an update on the position and the relationship between the EU and Russia in negotiations on future energy supplies?

David Miliband: My hon. Friend raises a very important point. The development of a common energy policy across Europe is one example where greater European co-operation and co-ordination is needed. Engagement with Russia needs to be taken forward on a far more coherent basis. That is one of the priorities for the new Commission. It is certainly something that we will be urging upon it.

T9. [303628] **Norman Baker** (Lewes) (LD): Just a few days into the Chilcot inquiry, it must be painfully obvious to everybody both that the Hutton inquiry of 2003 was useless and that Tony Blair gravely misled the House and the country. Given that John Chilcot is chairing a non-statutory inquiry, what steps will the Government take to ensure that Mr. Blair and his immediate circle at the time are properly held to account for the enormity of what they did?

David Miliband: I think that after a week of the Chilcot inquiry, it is time for all sides to recognise the value of the inquiry. It is doing its work in an outstandingly professional and clear way. We should allow it to finish its work. No one else is drawing conclusions, even if the hon. Gentleman is. My suspicion is that he already had his conclusions before the inquiry even opened its doors.

Dr. Brian Iddon (Bolton, South-East) (Lab): The middle east peace process is badly hindered by the rift between Fatah and Hamas. Does my right hon. Friend agree that if Marwan Barghouti is able to heal that rift, we should persuade the Israelis to release him from prison?

Mr. Ivan Lewis: Any decision on the release of prisoners is a matter for the Israeli Government and has to be a case for negotiation between the Israelis and the Palestinians. In the context of that debate, we strongly urge Hamas immediately to release Gilad Shalit, who was illegally detained against international law. We support the Egyptian efforts to seek unification in the Palestinian leadership between Hamas and Fatah. As I understand it, Fatah signed up to such an agreement, brokered by the Egyptians, but Hamas refused to do so. We continue to support the Egyptian efforts.

Sir Nicholas Winterton (Macclesfield) (Con): Extreme violence against both black and white in Zimbabwe continues, and Mr. Mugabe totally ignores the rulings of Southern African Development Community institutions. Is it not now the case that the only individual who can do anything about Mr. Mugabe and bring about his fall is Mr. Jacob Zuma, the President of South Africa, who could switch off the electricity and cut off the fuel supplies to Zimbabwe?

David Miliband: The hon. Gentleman, who has taken a long interest in that issue, is right to point to the importance of South Africa, and in particular of President Zuma. President Zuma gave to the closing session of the Commonwealth conference a report on SADC's efforts, and he dedicated himself to support the global political agreement that, after all, has been signed by Prime Minister Tsvangirai as well as by President Mugabe. Switching off the electricity is not part of the global political agreement. It is right that we support those brave reformers in Zimbabwe who have committed themselves to the political process. I very much understand the hon. Gentleman's scepticism about the ability of ZANU-PF to stick to the agreement, but it seems to me vital that the international community remains united in demanding that it do so.

Jeremy Corbyn (Islington, North) (Lab): It is extremely regrettable that the British Government's representative did not take part in the vote at the UN Human Rights Council on the Goldstone commission report, which I understand has now been referred to the UN Security Council. Will the Foreign Secretary assure me that there will be no further blockage of a full investigation of Goldstone's recommendations, and that if necessary, the cases will be referred for international judicial review?

David Miliband: I am sorry if there is any confusion about that issue in my hon. Friend's mind, but the British Government have been absolutely clear that we support an independent, full and transparent inquiry into the credible allegations that the Goldstone report

makes. We have made that position absolutely clear in public and in private, and that seems to me to be the right position to hold. That is different from giving a wholesale endorsement of the Goldstone report, which includes some items that we are clear are not accurate, and also fails to take account of some important factors. However, the report makes credible and serious allegations that should be investigated through a transparent and full inquiry. We continue to say that.

Mr. Crispin Blunt (Reigate) (Con): With reference to the previous answer by the Minister of State, the hon. Member for Bury, South (Mr. Lewis), to his hon. Friend the Member for Bolton, South-East (Dr. Iddon), does the Foreign Office understand the sense of injustice that is the principal motivating factor behind so much Islamist violence, and that a just settlement of the middle east peace process is an absolutely vital British national interest?

Mr. Ivan Lewis: The Government are absolutely clear that there is an urgent need for progress in the peace process. We strongly advocate, as a matter of urgency, comprehensive negotiations towards a two-state solution—a viable contiguous Palestinian state alongside a secure Israel. Those negotiations have to deal with the questions of the 1967 borders, of Jerusalem, of justice for Palestinian refugees, and of normalised relationships between the Arab world and Israel. That is now a matter of urgency: we share the hon. Gentleman's analysis in that respect.

Mr. Gordon Prentice (Pendle) (Lab): Will the Government accept the results of the election in Honduras last Sunday—and if so, why?

Chris Bryant: We made it clear before the elections that we believed that President Zelaya should not have been removed from power, and that if the elections were to be valid, they had to be engaged in under President Zelaya. Without his return before the end of his term, which is at the end of January, it will be impossible to believe that those were proper elections. However, we recognise and welcome the fact that the elections that did take place did so in a peaceful situation.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I commend Ministers for their continuing engagement with the situation in Burma? However, will they, perhaps with their colleagues in the Department for International Development, investigate reports coming out now that aid to the Chin people on the border with India is being given in the form of loans on which 200 per cent. interest is charged? Surely that is not consistent with other Government policy in the region.

Mr. Ivan Lewis: The hon. Gentleman is right to say that the situation in Burma is crucial. Right now, it is poised at an incredibly important stage, and we believe that we must maintain sanctions against the Burmese regime while engaging in a political and diplomatic process and seeking to secure the release of political prisoners—especially Aung San Suu Kyi. On the hon. Gentleman's specific point, I shall write to him with the information.

Mr. Speaker: I call Lindsay Hoyle. *[Interruption.]*

Mr. Lindsay Hoyle (Chorley) (Lab): Nothing wrong with being tail-end Charlie, is there, Mr. Speaker?

My right hon. Friend the Foreign Secretary laid a wreath on behalf of the overseas territories, but has the time not come for the overseas territories to be allowed to lay it? We had a meeting with a previous Minister, who said that they accepted that the territories had grown up enough, so we should rid them of their colonial masters and allow them to lay a wreath themselves.

Chris Bryant *rose—*

Andrew Mackinlay (Thurrock) (Lab): You agreed with that when you were a Back Bencher.

Chris Bryant: And my views have not changed. However, my hon. Friend the Member for Chorley (Mr. Hoyle) knows that the issue will be discussed in the Overseas Territories Consultative Council next week. Let us hope that we can come to a conclusion that is suitable to all.

Gary McKinnon (Extradition)

3.34 pm

Mr. David Burrowes (Enfield, Southgate) (Con) *(Urgent Question):* To ask the Secretary of State for the Home Department if he will make a statement on his decision not to intervene to stop Gary McKinnon's extradition to the United States.

Thank you, Mr. Speaker, for allowing this urgent question on behalf of my constituent.

The Secretary of State for the Home Department (Alan Johnson): Gary McKinnon is accused of serious criminal offences. He is alleged to have repeatedly hacked into US Government computer networks over a period of 13 months, including 97 US military computers from which he deleted vital operating systems and then copied encrypted information on to his own computer, shutting down the entire US army's military district of Washington's computer network for 24 hours. During interviews under caution, Mr. McKinnon admitted to much of the conduct he is accused of.

A great deal has been made of the perceived imbalance in UK-US extradition arrangements in respect of probable cause versus reasonable suspicion. While I am clear that no such imbalance exists, as Mr. McKinnon has admitted the conduct which has given rise to the extradition request, this issue is academic in his case. This aside, under the terms of the Extradition Act 2003, I can prevent an extradition only in very specific circumstances: where the person in question could be sentenced to death if convicted; where there is a chance of that person being tried for crimes committed before that extradition which were not specified in the extradition request; or where the person has previously been extradited to the UK from another country, or transferred here by the International Criminal Court, and no consent has been given to their being extradited elsewhere.

Outside of the statutory extradition scheme, the courts have made it clear that the only circumstances in which I could prevent extradition would be where the evidence demonstrates that extradition would be a breach of human rights. If it would breach human rights to proceed with extradition, I would have to halt proceedings. If it would not, it would be unlawful for me to do so.

Mr. McKinnon has challenged his extradition in the district court, the High Court, with the Law Lords, and in the European Court of Human Rights, all of whom have ruled that the extradition should go ahead. Following the diagnosis of Asperger's syndrome in August 2008, he made fresh representations to the then Home Secretary claiming that because of his medical condition his extradition would breach the European convention on human rights. The then Home Secretary decided in October 2008 that the evidence Mr. McKinnon submitted did not meet the threshold needed to constitute a breach of the ECHR. Mr. McKinnon challenged in the High Court this decision and the decision by the Crown Prosecution Service that there were no grounds for him to be tried in this country.

On 31 July 2009, the High Court handed down both judgments. In its judgment on the Director of Public Prosecution's decision that Mr. McKinnon should be tried in the US, Lord Justice Stanley Burnton said this:

> "It is true that the Claimant's offending conduct took place in this country. However, it was directed at the USA, and at computers in the USA; the information he accessed or could have accessed was US information; its confidentiality and sensitivity were American; and any damage that was inflicted was in the USA. The witnesses who can address the damage done by his offences are in America...However, it is not for this Court to decide where he should be prosecuted. The decision is that of the DPP. As appears from the preceding paragraphs of this judgment, he cannot be faulted for considering that, other things being equal, the Claimant should be prosecuted in the USA."

He expressed the view that it would be

> "manifestly unsatisfactory in the extreme"

for Mr. McKinnon to be tried in the UK and refused permission for this aspect to be judicially reviewed.

Secondly, the Court ruled on 31 July that the decision of the Home Secretary that the extradition of Gary McKinnon to the US would not amount to a breach of his human rights was also correct. The Lord Justice said:

> "Ultimately, I have to weigh the impressive medical evidence adduced by the Claimant against the severity involved in Article 3. I have no doubt that he will find extradition to, and trial and sentence and detention in the USA, very difficult indeed. His mental health will suffer. There are risks of worse, including suicide. But if I compare his condition with those considered in the authorities to which I have referred above, even taking full account of the (in my view undesirable) possibility of his being prosecuted in this country, his case does not approach Article 3 severity."

Following that decision, Mr. McKinnon's lawyers made fresh representations, including additional medical evidence. I have carefully considered those representations and I am clear that the information that his lawyers have provided is not materially different from that placed before the High Court earlier this year and does not demonstrate that sending Mr. McKinnon to the United States would breach his human rights.

There are legitimate concerns about Mr. McKinnon's health, and the United States authorities have provided assurances, which were before the High Court in July, that his needs will be met. It is also clear from the proceedings to date that there is no real risk that Mr. McKinnon, if convicted, will serve any of his sentence in a supermax prison. Should Mr. McKinnon be extradited, charged and convicted in the US and seek repatriation to the UK to serve his sentence in this country, the Government will progress his application at the very earliest opportunity.

As I have said at every stage of these proceedings, we will not commence extradition proceedings until all legal avenues that Mr. McKinnon wishes to pursue have been exhausted. He can lodge a judicial review within seven days of this decision, and he can appeal to the ECHR within 14 days of the same date. I am currently considering a request from Mr. McKinnon's lawyers for an extension of the seven-day time limit.

Mr. Burrowes: I do not propose to ask the Home Secretary to use any general discretion that he says he does not have, nor today do I wish to highlight the unfairness of the UK-US extradition treaty. I want him to focus on the medical evidence, which he has considered and not disputed, and the limited human rights discretion that he accepts he has.

Does the Home Secretary not accept that Professor Jeremy Turk's report of 8 October raised new and material evidence, namely that Gary McKinnon

"is now suffering from an exacerbation of his very serious Major Depressive Disorder...aggravated and complicated by anxiety and panic attacks"

aligned to his having Asperger's syndrome? Given that he now places Gary McKinnon at an

"even higher risk of self-harm and suicide"

than after his earlier report, and concludes that

"suicide is now a real probability and will be an almost certain inevitability should he experience extradition",

and that there is a high probability that he

"will require inpatient psychiatric containment",

surely he has established a real risk of human rights being breached should extradition proceed. Putting it more bluntly, how ill and vulnerable does Gary McKinnon need to be not to be extradited to the United States?

The Home Secretary wants to rely on previous court judgments. Given that Lord Justice Stanley Burnton indicated that if Gary McKinnon were not extradited he could be prosecuted in this country, how can it be proportionate to allow the extradition of a UK citizen who is suicidal and sectionable? Is it not the case that far from being powerless to stop Gary McKinnon's extradition, in the light of the medical evidence the Home Secretary has shown himself and his Government to be spineless?

Alan Johnson: This is a difficult decision, and not one that can be made by the hon. Gentleman. I admire him for the way in which he has represented his constituent, and I met him just a couple of weeks ago on a one-to-one basis. I understand that completely, but I am the only person who can make this decision and I have to make it on the basis of the facts, and all the facts. It is a quasi-judicial decision, and Lord Justice Burnton did not say that if Gary McKinnon were not extradited he could be tried in this country. I have quoted what he said—he was absolutely clear that that is a matter for the Director of Public Prosecutions. It is not for politicians to decide whether someone is prosecuted and where, and he said that it would be

"manifestly unsatisfactory in the extreme"

were Mr. McKinnon to be tried anywhere other in the US.

On the question of the medical evidence, Professor Turk's diagnosis and opinions were handed to me by the hon. Member for Tiverton and Honiton (Angela Browning), who is sitting next to the hon. Gentleman. I stopped the clock to look at that diagnosis and those opinions very thoroughly and carefully, but they do not raise any issues that are materially, let alone fundamentally, different from those considered by Professor Baron-Cohen and Dr. Berney in the reports that were before the High Court in June 2009.

Lord Justice Burnton said that Gary McKinnon's case

"does not approach Article 3 severity",

and the hon. Gentleman asked which conditions did. Lord Justice Burnton pointed out a whole series of decisions in cases involving people with bipolar disorder, and people with other very serious medical conditions indeed—conditions that many would say were much more serious than the medical condition of Gary McKinnon. Those cases did not reach article 3 severity. Difficult though the decision is, I have no menu of options to choose from; there is either a breach of article 3 of the European declaration of human rights or there is not. My view is that there is not. That can be challenged in the courts.

Damian Green (Ashford) (Con): Throughout this wretched process, and again today, the Home Secretary has sought to minimise the amount of discretion that he has. He told the McKinnon family, and said again today, that the only issue that he could consider was whether Gary McKinnon's human rights were being breached by his extradition. Of course I accept the Home Secretary's version of his powers, and I therefore ask him to consider some questions in that narrow context.

First, is it proportionate or a breach of human rights to extradite someone in the context of what has been alleged? The US prosecutors say that Mr. McKinnon was attempting to

"influence and affect the US government by intimidation and coercion".

He allegedly hacked into US army computers and left messages attacking US foreign policy. Is that really intimidating or coercive to the US military? More to the point, does the Home Secretary seriously believe that that would be the action of a terrorist?

Secondly, does Mr. McKinnon really need to be extradited to stand trial? As the Home Secretary will have seen, there are reports that the Crown Prosecution Service wanted to prosecute Mr. McKinnon in this country for computer misuse, but that those efforts were blocked. Is that true? Thirdly, is it not a breach of his human rights to send a man with Asperger's and depression to face a possible 60-year sentence? The Home Secretary will have seen the opinion of one psychiatrist that that will amount to a death sentence. It is, of course, horribly ironic that it would be illegal to send someone to another country to face an explicit death sentence.

Fourthly, will the Home Secretary not accept that the imbalance in the Extradition Act 2003 means that a British citizen facing extradition has fewer human rights than a US citizen would have if the position were reversed? Baroness Scotland, the Government's Attorney-General, said in 2003:

"when we make extradition requests to the United States we shall need to submit sufficient evidence to establish 'probable cause'. That is a lower test than prima facie but a higher threshold than we ask of the United States"—[*Official Report, House of Lords,* 16 December 2003; Vol. 655, c. 1063.]

Why does the Home Secretary disagree with his Attorney-General that the extradition treaty is unbalanced and unfair?

Finally, does the Home Secretary not recognise that the Extradition Act 2003 was put in place to ensure that terrorists did not escape justice? It was never intended to deal with a case such as the one that we are discussing. Can he not see that his actions regarding Gary McKinnon have damaged this country's reputation, damaged relations between Britain and our most important ally and, most importantly, damaged a very vulnerable and sick young man?

Alan Johnson: I am pleased that the hon. Gentleman accepts the fact about the so-called discretion. My discretion—if the word is suitable—allows me to look at Gary McKinnon's case against the tests that are set

[Alan Johnson]

out in law. As it was after Gary McKinnon had been through the district court, the High Court, the House of Lords and the European Court of Human Rights that he was diagnosed as having Asperger's, that was a supervening diagnosis, which meant that the then Home Secretary had to look at the matter against the European declaration on human rights.

The hon. Gentleman talked about Gary McKinnon's offences. This is not a matter of my finding Gary McKinnon innocent or guilty. There are very serious charges against Mr. McKinnon—the hon. Gentleman does not contest that and neither, incidentally, does the hon. Member for Enfield, Southgate (Mr. Burrowes), Mr. McKinnon's constituency MP. They are serious charges and Mr. McKinnon has to answer those charges. The Director of Public Prosecutions has decided that that has to take place in the US. There is no further right of appeal—the High Court would not allow a judicial review. So we come to whether that breaches Gary McKinnon's human rights. All the legal cases quoted by Lord Justice Burnton relate to medical conditions and mental health conditions that are far worse than those that apply to Mr. McKinnon.

The hon. Member for Ashford (Damian Green) asked whether there is truth in the rumour that we were going to prosecute Mr. McKinnon in the UK. No, there is no truth in that rumour. All the actions in this case are clear for anyone to see from the time Mr. McKinnon was charged onwards through all the processes of the law and then through the processes of the law again.

The hon. Gentleman talked, once again, about an imbalance between the level of evidence that the US must apply to the UK in order to get someone extradited and the evidence that we must put before the US courts. He said that there is an imbalance between probable cause and reasonable suspicion. I pointed out that that is academic in the case of Mr. McKinnon because he has admitted the charges. However, members of both main Opposition parties have argued about this point. That argument was made in 2003, when the treaty was being concluded. What has happened since? In how many cases have we failed to get extradition from the US? None. Zilch. Nil. None whatsoever. Every case we have made to the US using probable cause has been successful. In contrast, there are seven cases in which the US has sought extradition from this country that are still held up in the system.

The hon. Gentleman said that my decision damages relationships between this country and the US. That is a bizarre interpretation given the serious nature of these crimes and the fact that America, a friendly state with a mature democratic judicial system, wants to extradite Gary McKinnon to face trial. The interpretation, were that to affect our relationship with the US in any way, should be the other way around.

Chris Huhne (Eastleigh) (LD): The Home Secretary is, in my view, a very brave man to hold out his judgment of the medical condition—and of the worsening of the medical condition—of Gary McKinnon against such overwhelming evidence as we have heard from the hon. Member for Enfield, Southgate (Mr. Burrowes). Gary McKinnon is a vulnerable British citizen who has become more vulnerable and whose interests are being ignored in favour of an unequal treaty with the United States. Nobody contests that he has Asperger's or that that condition has been diagnosed since the beginning of the process and has got substantially worse. That alone should be enough to merit some compassion for his condition and mitigation of the penalty for a crime that he admits, as the Home Secretary knows.

Does the Home Secretary recognise that the clear risks to Mr. McKinnon's health and even life have increased since the beginning of the process and will increase further if he is not tried here but is extradited? Does he recognise from the additional medical evidence that the problems faced by Gary McKinnon are more substantial than they were at the beginning? Does that risk not worry him, particularly given the fine balance that he has to strike in deciding when there is a breach of someone's human rights?

May I also ask whether the Prime Minister has considered this case? Will the Government now put the interests of justice for an increasingly vulnerable British citizen ahead of their relations with a foreign Government? Is the Home Secretary prepared to accept the real risk that he will have the life of a man on his hands?

Alan Johnson: I appreciate the hon. Member's concern. He came to see me with the right hon. Member for Haltemprice and Howden (David Davis) and my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) in the summer, and we discussed this issue, as I am willing to do on every occasion. I accept the vulnerability of Gary McKinnon, as I accept the vulnerability in many cases that go through the courts and in which a decision on extradition has to be taken. I note that I have been called spineless and a brave man within five minutes.

I do not argue that these decisions do not need very careful contemplation, and I have thought about this one long and hard. I have looked at every single word submitted by Gary McKinnon's lawyers on the evidence of his medical condition. As I have said previously, that is not materially different from the evidence that was before Lord Justice Burnton in June and on which he made his pronouncement on 30 July. I quoted Lord Justice Burnton in my statement saying that he accepts that there is a risk of suicide, and that is a heavy burden on any Home Secretary's shoulders—as the hon. Member for Eastleigh (Chris Huhne) said in his final point. Nevertheless, my job is to uphold the law—to look at the European convention on human rights and decide whether article 3 is being breached in this case. My decision, based on all the evidence, is that article 3 rights are not being breached in the case of Gary McKinnon. Hon. Members may disagree, but I hope they do not think that that decision was made in any other circumstances than after the most careful contemplation.

Several hon. Members *rose—*

Mr. Speaker: Order. No fewer than 23 Members are seeking to catch my eye. Naturally, I am keen to accommodate as many as a reasonable allocation of time will allow, but I appeal to each right hon. and hon. Member to ask a single, short supplementary question and, of course, to the Home Secretary to provide an economical reply.

Liz Blackman (Erewash) (Lab): My right hon. Friend mentioned a brief conversation that he had with the US authorities about how Gary McKinnon might be supported, should he be extradited. Could he flesh that out in a great deal more detail? Unconnected, but a point worth making, is the fact that many adults with Asperger's are never diagnosed, and a late diagnosis is not unusual.

Mr. Speaker: I know that the Home Secretary will provide one answer to two questions.

Alan Johnson: My hon. Friend is right in her final comment. It is not unusual to have a late diagnosis. I did not mention any conversation with the US authorities. The question of bail would be entirely for the independent judiciary. If Gary McKinnon were extradited and if he were convicted—and all the evidence would have to be placed before a court—and if he were given a custodial sentence, the procedure under the transfer of sentenced persons convention would kick in. As I said in the letter to Gary McKinnon's mother and to his lawyers, we stand ready to implement that procedure at the appropriate time. That time is a long way away, because at the moment Gary McKinnon has not been convicted of anything.

Angela Browning (Tiverton and Honiton) (Con): I hope that the Home Secretary will accept that Gary McKinnon was born with Asperger's syndrome, and that will have contributed to his behaviour with the computers in the first place. It would help Gary McKinnon's state of mind if he knew now that if he were to receive a custodial sentence, he would serve it in the UK. Instead of the Home Secretary saying that that is down the track, if he would make it clear now that the Home Office would support that, it might help Gary McKinnon's state of mind.

Alan Johnson: I appreciate what the hon. Lady says, and much of the medical evidence was about Gary McKinnon's fear of serving time in a US jail. The problem at the moment is that the case is still in the judicial process. Gary McKinnon's lawyers still have an opportunity to appeal, not only for judicial review of my decision, but to the courts. I do not want to get into that level of detail. It must be right, just as with other extradition cases, that we let matters unfold and cross each appropriate bridge when we come to it. I am well aware of the concerns that the hon. Lady expresses. At the moment, we have an extradition case, not a trial or a conviction.

Keith Vaz (Leicester, East) (Lab): I have respect for the Home Secretary, but I believe that he has made the wrong decision for the wrong reasons. He gave evidence to the Home Affairs Committee, and I wrote to him expressing the Committee's unanimous view that his scope for discretion was wider. We are prepared to publish our legal advice; will he do the same? If fresh evidence comes before him, is he prepared to do what he did on a previous occasion, and for which we were grateful, and stop the clock and consider that evidence?

Alan Johnson: My right hon. Friend, in his Select Committee report, did not unearth a different view on whether I had discretion. Two lawyers from Matrix Chambers gave evidence to the Committee and said exactly what I have said today: if there were a supervening diagnosis—it was not in these words, but this is the gist of what they said—I, like my predecessor, have the discretion, when all the court cases are finished and if something new arises, to decide whether the case meets article 3 severity. That is what Matrix Chambers said in its evidence to the Committee, and that is what I am saying, so there is absolutely no difference between us.

I think we have established, with the very honest remarks of the hon. Member for Ashford, that actually we all accept where my discretion—if we want to call it that—lies. There might arise fresh evidence. When the hon. Member for Tiverton and Honiton gave me the evidence on Gary McKinnon and what was said to be his worsening condition, of course I looked at the matter again. That is what my predecessor did as well. Incidentally, we have now had three Home Secretaries making the same decision. This is a matter for the Home Secretary, of course, but I believe that anyone in my position would have come to the same conclusion, irrespective of how difficult it might be.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): This year, the House passed a groundbreaking Act on autism, which was the first ever disability-specific legislation and recognised the unique nature and needs of people diagnosed with autism. How can a Government on the one hand legislate to recognise that unique condition, but on the other discount the expert medical advice reinforcing the point that, in this case, extradition is wholly inappropriate and potentially lethal to Gary? Quite frankly, is there no logic, justice or humanity left in the Government?

Alan Johnson: My right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), who holds a position within the National Autistic Society, previously made it clear to those who were lobbying him over this case that he appreciated the problems of autism. I, too, appreciate them. I was Secretary of State for Health and understand completely why that legislation was passed. However, the hon. Lady is too sensible and intelligent to suggest, evenly remotely, that because someone has autism, they do not have to face the consequences of their—alleged—offences. That is not the case. As I have mentioned, we have before us the case of someone with bipolar disorder fighting a similar case, and there are other cases of people with very serious medical complaints. We have to look at Gary McKinnon's case with compassion and test it through the courts. We have done that, and I believe our decision is the right one.

Kate Hoey (Vauxhall) (Lab): Does the Home Secretary not appreciate that the vast majority of the public, listening to his fine words, will not understand a word of the way in which he has used one bit of an article and another bit of an article? They will see the Government not standing up for a British citizen in a very difficult situation—not someone who does not want to be tried, but someone who wants to be tried in this country. Will they not regard the French Government's treatment of someone such as Roman Polanski, who is not even in their country, as the way in which citizens should be stood up for? Will the Home Secretary not see that,

[Kate Hoey]

even at this stage, he could find a way around this if he really wanted to prevent Gary McKinnon from being extradited?

Mr. Speaker: May I say that I think that my exhortation for single questions has momentarily been forgotten? However, I am sure that it will be remembered now.

Alan Johnson: My hon. Friend is wrong to say that I am trying to take one bit from here and one bit from there. Those bits and pieces are the European convention on human rights—they are very important, are now part of our law through the Human Rights Act 1998 and are crucial. Cases have to be judged against it.

My hon. Friend states the opinion of the public as if she is the arbiter of public opinion. People in this country want to see a proper extradition that is fair and that not only allows us to bring criminals back from abroad—as we have done on many occasions, including from America—but allows other countries where offences are committed to have the same benefits.

In the case of America, I have already set out the clear views of the courts. It is not for me or any other politician to decide whether to prosecute. The Law Lord, Lord Justice Lloyd said in the other place that it is absolutely wrong for any politician to decide whether to prosecute—and, by definition, where to prosecute—any individual. That was not a matter for me; it was a matter for the prosecuting authorities. They have decided that Gary McKinnon should stand trial in America.

Mr. John Randall (Uxbridge) (Con): Will the Home Secretary acquaint himself with the case of a young man in the London borough of Hillingdon who suffered from the same condition as Gary McKinnon and who hacked into BT's system? He was arrested, but BT decided to drop the charges and instead invited him to work on its security. He is now successfully undertaking a degree in IT. Perhaps the way forward might be to try to persuade the US authorities to drop the charges, in order for Gary McKinnon's undoubted skills to be used for good instead of bad.

Alan Johnson: All that can come out at the trial. As for whether that case was serious or trivial, all I know is that no one has argued that the criminal charges in this case are not very serious. It happened just after the 3,000 deaths on 9/11, at a time when America was particularly sensitive. The Americans will decide, but the decision of the public prosecutors in this country is that Gary McKinnon should be tried in America. That has been upheld in the courts; indeed, the High Court refused to give a judicial review and it was aware of all the other cases, including the one that the hon. Gentleman mentioned. Nevertheless, the court decided that America is the proper place for Gary McKinnon to be tried. As for his defence at that trial, I am sure that the hon. Gentleman's comments will form part of it.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Nobody reasonable in the House could dispute that the Home Secretary has a difficult decision to make in this case, and he has clearly considered it carefully. However, given that there is so much public concern about Gary McKinnon's possible extradition, I urge my right hon. Friend to consider again whether there is any way in which he can take steps to prevent his being extradited. Many people in this country would certainly welcome that. I urge my right hon. Friend to think again and try to find some way of making it happen.

Alan Johnson: It is just not good enough for a Home Secretary to be told to find "some way", irrespective of what the European Court of Human Rights or the law says. It is not the Home Secretary's job to be popular or to please whatever media campaign happens to be on the go; it is the Home Secretary's job to uphold the law—to look at things carefully and make the right judgment. That is what I have done.

Sir Menzies Campbell (North-East Fife) (LD): As the Home Secretary knows, extradition is based on the principle of reciprocity. Let me ask him this question: does he think there would be the slightest chance of an American citizen being extradited to the United Kingdom in similar circumstances and on similar evidence?

Alan Johnson: I hear this kind of argument all the time. Yes is absolutely my answer to that question. Just as we have extradited more than 30 people since the treaty came in, we have not been refused on any occasion, so this kind of faint anti-Americanism—as if the Americans' system is totally corrupt and our system is brilliant—is not something I accept. Nor do I accept that America would not extradite somebody over here in exactly the same circumstances.

Andrew Mackinlay (Thurrock) (Lab): I listened carefully to the closing sentences of the Secretary of State's statement, which I want to look at in detail. He has basically inherited a Blunkett blunder, which is the treaty. The mood of the House is such that we want to revisit that treaty, in order that caveats can be put in. Will he consider bringing forward emergency legislation so we can address that issue?

Alan Johnson: No, and for three reasons. Number one, no one has given an argument explaining why probable cause is less of a hurdle to cross than reasonable suspicion; none. Number two, there is not a single case—*[Interruption.]* An hon. Member on the Opposition Front Bench says that the Attorney-General said that. In a debate in another place on precisely this issue just two weeks ago, when an amendment was tabled to the then Policing and Crime Bill to say that we should revisit the issue in relation to forum—where an individual would be prosecuted—and when the House of Lords successfully overturned an amendment of that nature, the Attorney-General made it absolutely plain that it is a matter of form against fact.

When the Attorney-General was a Home Office Minister, she talked at this Despatch Box about the legislation that we were debating, but which was not then in place. We now have four or five years' experience of this legislation, and my hon. Friend the Member for Thurrock (Andrew Mackinlay) cannot point to one single case—and nor could my right hon. Friend the Member for Leicester, East (Keith Vaz) at the Home Affairs Committee—or any argument in fact showing that there was an imbalance between the two Acts. I repeat: they could not point to

one single argument. In relation to Gary McKinnon, of course, the issue is academic because he has admitted to the charges.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. Gentleman really must understand that there is a fundamental difference between the situation in the United States and here. The extradition of the UK citizen to the United States does not require prima facie evidence that the offence has been committed; the extradition of a US citizen to the United Kingdom requires probable cause. These things are different, and the matter must be looked at afresh.

Alan Johnson: I have been patronised by less wealthy people than the right hon. and learned Gentleman. Let me say to him that probable cause is defined in the US courts as

"*reasonable grounds for belief of guilt*".

while reasonable suspicion is defined by Lord Devlin like this:

"The circumstances of the case should be such as a reasonable man acting without passion or prejudice would fairly have suspected the person of having committed the offence".

The first point, then, is that that is as close as two different legal systems could be. The second point is that in all the years during which this treaty has been in place, there has not been an issue of fact that backs up the right hon. and learned Gentleman's argument. The third point is that this has nothing to do with Gary McKinnon's case because no one had to prove reasonable suspicion or probable cause, as he has admitted at least to a large chunk of the offences.

Mr. Tom Watson (West Bromwich, East) (Lab): I do not envy my right hon. Friend, who for the many years I have known him has always campaigned for justice. Is not the lesson from this case that there is at best a cross-jurisdictional opacity in the way we interpret treaties for alleged crimes conducted in cyberspace, which will be an increasing problem in the years to come, so we need a piece of work that looks at all our treaties and how we interpret this problem?

Alan Johnson: I, too, have great respect for my hon. Friend, and certainly for his expertise in this area. I have seen nothing, however, that suggests that there is any need for such an investigation or examination. Many cases now take place in cyberspace, and I think the courts are perfectly able to decide them and the prosecuting authorities to handle them. I see no need either in this case or in other cases of a similar nature under consideration at the moment, particularly those concerning extradition, to review how the law works in these circumstances.

David Davis (Haltemprice and Howden) (Con): I am not going to be rude to the Home Secretary because he is in a very difficult position—one forecast by Conservative Members in 2003 and then in 2006, when the right hon. Gentleman's Government put this foolish law in place. Much of what he said rested on legal advice. He will have seen from today's newspapers the comment from Geoffrey Robertson, the senior—very senior—human rights lawyer who said:

"To send a British citizen to the US, without any right to bail, to face 10 years in prison for a crime for which he would be unlikely to receive any custodial sentence if tried here amounts to 'cruel and unusual punishment' in breach of our 1689 Bill of Rights. The home secretary should not hide behind the weasel words of the European Convention when he should be following the law laid down by our own historic bill of rights."

Will the right hon. Gentleman please answer that?

Alan Johnson: Yes, I read that piece. The courts—the district court, the High Court, the Law Lords, the European Court in Strasbourg—have all looked at this case and they have looked at it as against the law. Now there is an opportunity for them to look at it again. The right hon. Gentleman needs to recognise that the same arguments applied to the NatWest three. We were told about them that they would not get bail, but they did; we were told that they would spend two years in a maximum security prison, which they did not; and we were told that they would face 20 years in jail, which they did not. All the terrible things predicted to take place in the case of the NatWest three did not take place. The hon. Members for Chesham and Amersham (Mrs. Gillan) and for Tiverton and Honiton made the right point about what was the right time to look at those specific issues. At the moment, I believe that it is absolutely right that this extradition proceed, but there will be a time for a legal challenge.

Andrew Miller (Ellesmere Port and Neston) (Lab): I recognise the very difficult dilemma faced by my right hon. Friend, but is it not about time that we asked our American friends—I use the word "friends" deliberately—to examine the case again in the context of the benefits they have accrued through Gary McKinnon's work? Had he not masterfully broken through their security systems, those systems would be vulnerable today. It is about time the Americans recognised that. I am not in favour of people "testing" my burglar alarm, but in this instance Gary McKinnon has done a huge favour to the American state.

Alan Johnson: I do not accept that argument. It is akin to the argument that if people left their windows open—

Andrew Miller: He did not steal anything.

Alan Johnson: Please. The argument is that if someone is accused of serious criminal offences—and no one doubts that that applies to Gary McKinnon—

Andrew Miller: He did not steal anything.

Alan Johnson: My hon. Friend keeps saying that Gary McKinnon did not steal anything; I am not saying he did. What I am saying is that we do not judge such cases on the basis of whether or not it was easy to commit the crime, or whether the person involved made it easier for the crime to be committed. We do not do that in relation to any kind of offence, and we should not do it in relation to offences in cyberspace.

Mr. Crispin Blunt (Reigate) (Con): Having listened carefully to the Home Secretary, I conclude that he thinks that the actions of the United States authorities are reasonable in the circumstances. Does he also think that they are wise?

Alan Johnson: I think that they are reasonable actions. As for whether we would be in exactly the same position if someone had been hacking into the United Kingdom's defences over a 12-month period, with the same effect and at that particular time, and if that person had left

[Alan Johnson]

the messages that were left at that particular time, I am absolutely sure that Members would be outraged if the United States refused to extradite the person responsible to this country.

Rob Marris (Wolverhampton, South-West) (Lab): This is the sad case of a sad middle-aged man who is alleged to have deleted part of American security computer systems. That has led both Opposition Front-Bench spokespersons today to state in terms that anyone with Asperger's should never be extradited or tried. Does my right hon. Friend agree that that approach is an insult to people with Asperger's, who have a range of responsibilities and capabilities including, in some cases, criminal responsibility and criminal capability?

Alan Johnson: I agree that a diagnosis of Asperger's does not mean that it is a breach of human rights to be extradited to face trial for serious criminal offences. Every court in the land has said that, and it has been said by the highest court authority—the High Court. We will look at the facts again. We have looked at the fresh medical and psychiatric evidence, and that is open to be tested in the courts as well, but as yet the courts have decided that this does not approach article 3 severity.

Mrs. Iris Robinson (Strangford) (DUP): The decision will grate on the people of Northern Ireland, who for years have witnessed political and judicial protection for IRA terrorist murderers who fled to America and were never extradited despite many requests. In the light of that, will the Secretary of State reconsider his view?

Alan Johnson: I understand how deeply the hon. Lady feels about the issue, given her experience, but it is not my job or that of the courts—and I do not think any Member would suggest that it was—to make such quasi-judicial decisions on the basis of anything other than the law and anything other than the European declaration of human rights. It is absolutely not the case, in my view, that a decision such as this should be made on any kind of tit-for-tat basis which may or may not exist in respect of decisions that America may have made in the past.

Jeremy Corbyn (Islington, North) (Lab): As the Home Secretary is apparently looking again at all the medical evidence and the issues surrounding the case, will he look again at the possibility of a prosecution being mounted in the United Kingdom to avoid the whole issue of extradition? That would obviously bring an end to what is a very stressful experience for this young man.

Alan Johnson: At the risk of repeating myself, let me say that I will not look at all the medical evidence again. I have already looked at it; that is why the hon. Member for Enfield, Southgate has laid an urgent question in the House. Secondly, it is the job of the Director of Public Prosecutions to decide whether, and where, to prosecute. That has been upheld in the courts, and on 31 July the High Court refused permission to go to judicial review. That issue has now gone; the only issue left is whether extradition would breach Mr. McKinnon's human rights.

John Mason (Glasgow, East) (SNP): Tomorrow, we will debate the Equality Bill, which I support and whose aim is to protect people who are disabled. Does the Home Secretary not see an inconsistency between what the Equality Bill is intended to achieve and this decision?

Alan Johnson: I do not see any contradiction whatever. I am making a decision based on whether Mr. McKinnon's article 3 human rights would be breached. I am glad the hon. Gentleman and his party support the Equality Bill, but so far as I am aware, nobody is suggesting that people who are disabled should never be prosecuted.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): When I was employed as a public prosecutor, it was my duty to make decisions on whether or not to prosecute based on what was in the public interest. The Home Secretary has got compelling evidence today that the decision not to prosecute exposes Gary McKinnon to the probable—if not the inevitable—risk of his committing suicide. I do not see how that can be in the public interest, and regardless of the question of judicial review, why, in these circumstances and with that evidence, is the DPP not being invited to reconsider his decision not to prosecute?

Alan Johnson: Because the High Court ruled, for the reasons I explained in my statement—*[Interruption.]* The High Court ruled that it was a matter for the DPP to decide—*[Interruption.]* Well, if the hon. Gentleman will just be quiet, I will give him the answer. The High Court decided, quite rightly, that it was the DPP's decision. He felt that the decision in this case was right. He set out the reasons why it was right—and I have set them out again in my statement—and he refused to allow judicial review. My deliberations have nothing to do with the decision to prosecute, or where to prosecute. My deliberations are about whether this decision breaches Gary McKinnon's human rights.

European Financial Services Proposals

[Relevant documents: Thirty-second Report from the European Scrutiny Committee, Session 2008-09, Chapter 2, HC 19-xxx, and the First Report from the Committee, Session 2009-10, Chapters 1 and 2, HC 5-i; and Sixteenth Report from the Treasury Committee, Session 2008-09, on the Committee's Opinion on proposals for European Financial Supervision, HC 1088, and the First Report from the Committee, Session 2009-10, Proposals for European financial supervision: further report, HC 37.]

4.22 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I beg to move,

That this House takes note of the following European Union Documents—

(a) 3645/09, Proposal for a Council Decision entrusting the European Central Bank with concerning the functioning of the European Systemic Risk Board;

(b) 13648/09, Proposal for a regulation of the European Parliament and the Council on Community macro prudential oversight of the financial system and establishing a European Systemic Risk Board;

(c) 13652/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Banking Authority;

(d) 13653/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Insurance and Occupational Pensions Authority;

(e) 13654/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Securities and Markets Authority;

(f) 13656/09, Commission Staff Working Document–Possible amendments to Financial Services legislation–accompanying document to—

(i) 13652/09

(ii) 13653/09

(iii) 13654/09;

(g) 13657/09, Commission Staff Working Document–Impact Assessment–accompanying document to—

(i) 13645/09

(ii) 13648/09

(iii) 13652/09

(iv) 13653/09

(v) 13654/09;

(h) 13658/09, Commission Staff Working Document–Summary of the Impact Assessment; and

(i) 15093/09, Proposal for a Directive of the European Parliament and of the Council amending Directives 1998/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority;

and endorses the Government's approach to setting up a new financial supervisory structure in the EU.

First, I should like to thank the European Scrutiny Committee for calling this debate on these extremely important issues. As several hon. Members present will remember, I took part in another of the Committee's debates back in June, when we had a very useful discussion of the European Commission's initial proposals for European Union regulatory reform. Since then, however, things have moved on somewhat. In September, the Commission published its draft legislative proposals to establish a new supervisory architecture, and I look forward to discussing the issues again today.

It might be helpful if I first set out the proposals contained in the documents that we shall be debating this afternoon. The Commission's legislative package establishes at the macro-prudential level a European systemic risk board, comprised of EU central banks, to identify risks in the financial system. The body will issue warnings where these risks are deemed significant, and will, where appropriate, issue recommendations on how to mitigate these risks.

Mr. William Cash (Stone) (Con): As I am a member of the ESC, I am sure the Minister will understand my wishing to draw attention to the fact that in our most recent report we have, effectively, condemned the idea that we should rush forward with these proposals. There are many good reasons for that, which are set out in our report. Furthermore, does the Minister accept the following point, which I have repeatedly made to the Prime Minister and the Chancellor of the Exchequer—this is, effectively, a sell-out to the process of majority voting, and it will do immense damage to the City of London, which accounts for an enormous percentage of our GDP? Does she also agree that there is no justification for the speed with which this is being done, or for handing over the whole of this ramshackle structure to the European Court of Justice?

Sarah McCarthy-Fry: The hon. Gentleman will not be surprised to learn that I disagree with him on this and that I think it is important that we have a European harmonisation of regulation. That was agreed at not only the European level, but the global level. I think we would all agree that we are looking for a harmonisation of regulation at a global level, and the EU process can move forward on that.

Mr. Mark Todd (South Derbyshire) (Lab): Will the Minister give way?

Sarah McCarthy-Fry: I shall finish answering the original intervention before I give way to my hon. Friend. We still need to refine some pieces of the proposals before us today. I shall go on to discuss where we are disappointed and where the legislative proposals did not follow the agreement reached at the ECOFIN June negotiations; however, the negotiations are ongoing.

Mr. Todd: Am I right in thinking that the author of the origins of these proposals is Monsieur de Larosière, who, as we heard yesterday, is apparently the patron saint of Conservative regulatory policy? *[Interruption.]* We can see the gestures being made by the hon. Member for Stone (Mr. Cash), who presumably feels as uncomfortable on this as I do. Could the Minister throw light on the authorship?

Sarah McCarthy-Fry: Certainly the original proposals came from Jacques de Larosière in order to replace the Lamfalussy level 3 committees in respect of the European supervisory authorities. *[Interruption.]*

Mr. Speaker: Order. The hon. Member for Stone (Mr. Cash) does not have to make sedentary references to the number or identity of Frenchmen.

Sarah McCarthy-Fry: Thank you, Mr. Speaker. I was talking about the first part of this package of proposals, which is the European systemic risk board. The body will issue warnings where the risks are deemed significant and recommendations on how to mitigate these risks. The Government strongly support the establishment of the ESRB. We believe it can act as an effective early-warning system, usefully identifying risks in the financial system and complementing the work of the Financial Stability Board and the International Monetary Fund at the international level.

Stewart Hosie (Dundee, East) (SNP): I am happy with the idea of a new architecture and a global system, and I am happy with the ESRB and with the fact that it will issue warnings and take actions. However, one bit is missing from all this, and that makes it difficult to agree whether or not it makes sense. The regulatory framework for the derivatives, the default swaps and the counter-party risk—the technical regulation on the financial weapons of mass destruction—is not yet in place. Will the Minister explain how that will work within the context of the ESRB and the other bits of the architecture that she is describing? That is the missing piece; we do not yet have it.

Sarah McCarthy-Fry: The hon. Gentleman is right to say that we do not have all the other directives in today. Today, we are examining the framework that will be discussed at the ECOFIN meeting tomorrow. There will be opportunity to discuss further—if the European Scrutiny Committee so wishes—those other directives that are still going through.

Stewart Hosie: I appreciate what the Minister is saying and that ECOFIN will meet tomorrow, but it is difficult to see how to agree on a proposal for a board that will, rightly, issue recommendations and take actions—presumably they will tighten up, weaken, amend or adjust regulation—when we do not yet have it. Can she not give us some kind of clue as to the regulatory framework that will sit alongside this new architecture?

Sarah McCarthy-Fry: I am sorry to say that at this stage I cannot. This is still a matter for negotiation among the other member states; this is about the overarching framework.

Mr. Michael Fallon (Sevenoaks) (Con): I am sorry to interrupt the Minister, as she is clearly getting into her stride. Before she leaves the subject of the ESRB, a proposal with which she says she is happy, will she say whether or not she is happy that there is no requirement that the non-eurozone countries should be represented on it?

Sarah McCarthy-Fry: I will come to that later in my speech, but just to satisfy the hon. Gentleman I should say that we do think that there should be sufficient input from the non-eurozone member states. I shall discuss that, because it was a specific question asked by the European Scrutiny Committee.

The European supervisory authorities will replace the current so-called "Lamfalussy level 3 committees" in banking, securities, insurance and occupational pensions. The new authorities will have enhanced roles and tasks, with the aim of improving the quality and consistency of regulation and supervision in the EU.

Mr. David Heathcoat-Amory (Wells) (Con): Will the Minister confirm that these micro regulatory authorities will not have supervisory powers over national authorities? That assurance was given by Lord Myners in evidence to the European Scrutiny Committee, but it has been slightly altered—or certainly weakened and diluted—notably when the Minister responded to my debate in Westminster Hall. Can she get back to the original position and give an unconditional undertaking that the new authorities will not have supervisory authority over national supervisors or individual firms?

Sarah McCarthy-Fry: Our negotiating position is that the supervisory authorities will have absolutely no authority over individual firms, and that their only power over supervisory authorities will be in cross-border disputes. That will be our position going into the negotiations tomorrow.

Mr. Mark Hoban (Fareham) (Con): As I understand it, a representative of one of the supervisory authorities can sit on the college of supervisors. Does the Minister think that that is appropriate, given that that could also lead to the ESAs having some impact on the supervision of individual firms?

Sarah McCarthy-Fry: We are clear that none of the bodies being set up under this legislation should be able to impact on the supervision of individual firms. Credit rating agencies are the only exception, as we did not consider that they posed a fiscal risk.

Mr. Hoban: But, as I understand it, the European securities market authority will have jurisdiction over clearing houses. Will the Minister bring that up at ECOFIN tomorrow?

Sarah McCarthy-Fry: I do not want to pre-empt or second-guess the ECOFIN negotiations that begin tomorrow. Our line is that the authorities will have no direct powers over firms in emergencies and that there will be no direct EU supervision of Community-wide entities. The authorities will certainly not be able to conduct day-to-day supervision of individual firms. That is the line with which the Chancellor will go to ECOFIN tomorrow.

Stewart Hosie: The European Scrutiny Committee report says on page 34 that the purpose of establishing a system of financial supervision is, among other things, to "raise supervisory standards" and to impose "binding mediation". Will the Minister confirm that that "binding mediation" will apply not to single firms but to national systems?

Sarah McCarthy-Fry: The binding mediation will apply to national supervisors in cross-border disputes, not to individual firms.

Mr. Fallon: Will the Minister give way?

Sarah McCarthy-Fry: May I get a little further with my speech? I shall give way to the hon. Gentleman then.

We think it is important to have more effective rule-making and enforcement, as that will increase the efficiency of cross-border firms operating in the EU. The authorities will be required to conduct supervisory peer review to

ensure consistently high standards. As I have said, they will also have powers to mediate in disputes between supervisory authorities. The Government support the authorities having those roles, as a way of improving the quality and consistency of supervision and enhancing stability.

I give way to the hon. Member for Sevenoaks (Mr. Fallon).

Mr. Fallon: I am most grateful to the Minister. She is handling a range of questions, but what is her red line in this matter? Articles 9, 10 and 11 of the European banking authority proposal would give it direct power over individual financial institutions, with the result that it could issue an instruction to Barclays or HSBC. Is that a red line for the British Government, or not?

Sarah McCarthy-Fry: The red line for the British Government is that these authorities should not have direct powers over the day-to-day supervision of national firms, and that is the approach on which we are going forward.

The Commission has also published an amending directive, which amends 10 existing financial services directives to enable the new authorities to carry out their tasks effectively. Most significantly, these amendments will clarify the areas in which the new authorities can develop technical standards and many of the areas in which they can mediate in cases of disagreement between national supervisors. We believe that those moves will improve the quality and consistency of regulation and supervision in the EU, and they were agreed to by Heads of State and Government at the European Council meeting in June. The ambitions are also supported by the City and, in particular, by cross-border institutions operating from London.

Mr. Cash: The Minister speaks about red lines. Will she exercise a veto when the whole matter is going to be decided by a majority vote?

Sarah McCarthy-Fry: This is a package of five legislative proposals. The hon. Gentleman is quite right that four of them are down to qualified majority voting, but one of the items in the package is subject to unanimity. We are going into the negotiations with our red lines and I am sure that the Chancellor will stick to them. Within the negotiations, I am sure that we will get not only what is good for the UK, but what is good for the EU.

Mr. Jeremy Browne (Taunton) (LD): Against which countries does the Minister expect that Britain will have to defend its red lines? I am interested to know who is likely to line up with us and who she feels might imperil Britain's interests.

Sarah McCarthy-Fry: I am sure that the hon. Gentleman would not expect me to answer that question on the Floor of the House when the Chancellor is going into negotiations tomorrow. I will not second-guess or pre-empt those negotiations.

As I said, it was agreed at the June meeting that day-to-day supervision and crisis management arrangements had to remain national, as only national Governments can provide any fiscal support to firms. In the case of credit rating agencies, which cannot have a fiscal impact if they fail, there could be central supervision. As a result, it is clear that there can be no direct European crisis management powers over firms, or other powers that undermine national supervision. Furthermore, it has been made clear that the new framework should not impinge on member states' fiscal responsibilities. We must ensure that member states stick to that agreement.

I am sure that hon. Members will have noticed that, in some areas, the Commission's legislative proposals go further than what was agreed in June. For example, it is proposed that the new EU supervisory authorities could later directly supervise Community-wide entities. That clearly does not respect the June agreement, and the Government are absolutely clear that we cannot accept it, as it could fundamentally undermine national supervision. Furthermore, the Commission's proposals include direct European powers over firms, in particular in crisis management. Such a role could confuse and undermine national crisis management, and it is clearly critical to ensure that Governments can respond quickly and effectively in times of crisis, so that needs to change.

Mr. Heathcoat-Amory: I asked the hon. Lady last month who would appoint the members of these supervisory authorities and to whom they would be accountable—is it the Council of Ministers, the European Parliament, the Commission, or all three? Given that clarity and certainty are absolutely essential—if there is a credit crunch, we will otherwise get into a huge muddle all over again—will she tell us the exact position regarding reporting and appointment to these bodies?

Sarah McCarthy-Fry: The ESAs will be accountable to national Governments through the European Council. It is likely that they will also be accountable to the European Parliament. In the United Kingdom, the Financial Services Authority—our nominee—will be accountable in the normal way through its annual report and the Treasury Committee.

Mr. Heathcoat-Amory: And appointments?

Sarah McCarthy-Fry: I will have to get back to the right hon. Gentleman about appointments. I imagine that that would be a matter for member states, but I hope to be able to get back to him on that before the end of the debate.

There has already been a lot of discussion and debate about the proposals. Lord Myners has given evidence to the Treasury Committee and to the House of Lords European Union Committee. He also took part in a debate in the Chamber of the House of Lords on 10 November. In addition, the Treasury Committee published a report on the proposals on 16 November, for which I thank it. That insightful report raises a number of issues that are also of great importance to the Government. In particular, the report highlights the Committee's concerns about the legality of the Commission's proposals; the fiscal impact on member states; the Commission's role in crisis situations; and the composition of the European systemic risk board.

There is widespread interest in the legal issues surrounding these proposals, and the Government are well aware of the complex legal matters involved. Regardless of the technicalities, the Government's overriding objective

[Sarah McCarthy-Fry]

is to ensure that the new framework can withstand legal challenge. We cannot have legal uncertainty and challenges before the courts, as that could undermine financial stability. We are therefore working closely with other member states and the Council legal service to ensure that the bodies are on a sound legal footing. I know there are questions about the legal basis of the proposals, but let me assure the House that we believe that article 95 is an appropriate legal basis for the regulations. However, we have concerns about matters in which the supervisory authorities can exercise discretion, and in which the Commission is seemingly playing the role of the courts. Both those issues are problematic, but we believe they can be resolved so that the authorities can exercise the useful roles assigned to them.

Mr. Mark Field (Cities of London and Westminster) (Con): The Minister has referred to the legal and practical difficulties, but can she tell us how much experience she has had of speaking to practitioners in the field about the precise nature of those problems? Has she spoken to them, or has she just read briefings from the trade body?

Sarah McCarthy-Fry: I think that the hon. Gentleman probably knows the answer. I have not had discussions with legal practitioners, but my noble Friend Lord Myners, who leads on this policy matter in the other place, certainly has done so, and I have read all the briefings.

Many members of the European Scrutiny Committee have raised concerns about the fiscal safeguard clause in the proposals. I would like to stress that this is a mechanism that in practice should never be used. The legislation clearly states that ESAs are required to ensure that their decisions do not impinge on member states' fiscal responsibilities. However, alongside that, a process has been set out in the legislation for member states to opt out of a decision made by an ESA, if they believe that it would have a fiscal consequence. We need to ensure that that process is not open to abuse, and that it provides the right protections. The Commission's proposal requires a member state to secure a qualified majority vote in support in Council, in cases in which the ESA decides to uphold its decision, despite the member state raising a fiscal case against it. We are not convinced that the balance is right, or that it provides sufficient assurance to member states. We are therefore working with EU member states, many of which share our concerns, to improve the safeguard clause.

Mr. Fallon: Again, I want to be clear that that is a red line for the United Kingdom, and that the fiscal safeguard will not be subject to majority voting.

Sarah McCarthy-Fry: For us, the red line applies to the fact that none of those authorities should have the power to make any impact on national Governments' fiscal responsibility. We do not believe that the fiscal safeguard should be used, because there is an overriding legal principle that the decision should not impinge on member states' fiscal responsibilities. Again, that will be part of the negotiations, and as I have said, many other member states share our concern, so we hope to be able to make progress.

Concerns have been expressed about the speed of reforms, and about the better regulation principles. We must ensure that there is better and more effective regulation, which is based on strong evidence, as well as thorough consultation and impact assessments. It is important to respond swiftly to the crisis and make sure that we can secure harmonised standards and put better regulation in place quickly, but that should certainly not be at the expense of high-quality regulation. It is more important than ever to ensure that our response is evidence-based and achieves the desired end. We continue to encourage the Commission to adhere to best practice and to conduct consultations and impact assessments on regulatory proposals for the regulation of markets and firms. That high-quality evidence base will also maximise the influence of the EU on the international stage with our international partners and better enable it to attain international regulatory convergence. It is crucial that better regulation principles are instilled in the bodies themselves. The Government have been arguing strongly for this in Council, and it continues to be a top priority.

Concerns have been raised about the Commission's role in determining a crisis situation. Alongside other member states, the UK is questioning the Commission's role in some areas of the proposals, including its ability to decide unilaterally where there is an emergency situation. We have already made progress on this issue and there is now broad consensus among member states that the Council should have a strong role in activating any emergency powers.

Christopher Fraser (South-West Norfolk) (Con): Will the Minister draw to the attention of the House precisely what is meant by emergency circumstances? That is not clear from what she said or what we have before us today.

Sarah McCarthy-Fry: I would suggest that emergency circumstances were the sort of situation that we faced last year, with the possibility of the entire global financial system going into meltdown. I will get clarification, however.

I turn to some specific clarifications that the European Scrutiny Committee requested, following the Committee's correspondence with Lord Myners on these issues. With reference to the Government's progress in ensuring a balanced representation of non-eurozone member states on the European systemic risk board steering committee, there is broad consensus in Council that there should be an appropriate representation of non-eurozone member states on the ESRB, and in particular, that there should be five, rather than three, additional members of the steering committee, and that two of those should be from non-eurozone central banks.

The need to ensure an appropriate balance of eurozone and non-eurozone members was one of the key issues stressed by the Chancellor during the discussion of these proposals at the ECOFIN meeting of 2 October. The Government are therefore confident that this position will be reflected in the Council's discussions with the European Parliament as we go forward.

Mr. Hoban: Will the Minister make it clear that balanced representation will be in the legislation, rather than in some side agreement reached in Council?

Sarah McCarthy-Fry: The aim would be for that to be in the legislation, but it will form part of the negotiations. The important thing is that we get the result—the representation of the non-eurozone member states on the steering committee.

Mr. Hoban: But is a decision in Council, but not on the face of the legislative proposal, binding?

Sarah McCarthy-Fry: I cannot answer that question. I do not want to mislead the hon. Gentleman. It is my understanding that if we can get that as a Council decision, that will be what happens, but I will get back to him with the precise legal basis for that.

The improved voting thresholds in the ESRB general board reflect a building consensus in Council that the voting mechanism for decisions taken by the ESRB's general board, as set out in the Commission's draft regulation, is not appropriate in all cases. Instead, there has been considerable support for voting by a two-thirds majority, rather than a simple majority, for adopting a recommendation and for agreeing to make a warning or recommendation public.

As I said, there are outstanding issues and questions, but this is a positive agenda for reform, which the Government—

Mr. Cash: Does the Minister note that one of the questions that we put was whether, in the context of the architecture to which I referred earlier, the Government are satisfied not only with regard to the voting issue, but with regard to the relationship of the European Court of Justice to these bodies? That is crucial, because it is at that point that the question of the exercise of real power is determined. Can the Minister answer that question, please?

Sarah McCarthy-Fry: I can only refer the hon. Gentleman back to my previous answer, which was that we have concerns about the legislative proposals, where the Commission appears to be taking over the role of the courts, because the judgment as to whether member states are following European law must be a matter for the European courts.

We are putting in place a new framework to improve the quality and consistency of supervision and regulation. Such a framework will better protect consumers, help prevent financial crisis and improve efficiency for firms. I look forward to hearing the contributions of hon. Members in the debate.

4.49 pm

Mr. Mark Hoban (Fareham) (Con): We welcome the chance to debate these important proposals. They will have a significant impact on the regulation of the financial services sector, and they have the potential, notwithstanding the Minister's comments, to impact on our fiscal policy. Let us be clear, however, that we are here only because the European Scrutiny Committee called for a debate on the Floor of the House. The Government have not conceded these proceedings voluntarily. They did not set aside this time because they felt it important to debate these issues; they were required to do so by the Committee. It asked for a three-hour debate on the Floor of the House, and that signal should not be underestimated. The Committee has done so on only a handful of occasions during the lifetime of this Parliament. The issue is clearly important, and it is right that we have this debate in advance of the ECOFIN meeting tomorrow.

We recognise the importance of cross-border supervision. We have had arguably the first global regulatory crisis, and we need to learn lessons about the need for greater co-ordination and standards of supervision. However, despite the global nature of the crisis, the bill for failure was picked up by national taxpayers, and we need to bear that in mind as we debate the subject. The UK boasts a leading global financial centre. The importance of global co-ordination should not be understated, but, when considering the issue, we must engage much more vigorously in the debate. That is not about stymieing attempts at reform, but about working towards a more effective and stable system. That will benefit the UK and the wider European Union, and we recognise that some changes are necessary to resolve some issues that the financial crisis threw up.

However, we find the Government's approach passive and complacent. They need to be proactive and strategic, rather than complacent and tactical. Such an approach represents a misunderstanding of the importance of what is at stake, and the consequences of the Government's rather casual approach could be significant.

We have seen the consequences of that approach already. This year, we had the publication of the alternative investment fund managers directive, and there has been widespread criticism of it and its impact not just on hedge funds and private equity, but on other forms of funds affecting other European countries.

Mr. Mark Field: I entirely agree with my hon. Friend on the alternative investment directive. Is not the bigger criticism of it, however, that it simply betrayed, among those in the European Union who are attempting to introduce it, a lack of understanding about the role of asset management and, indeed, its non-role in the credit crunch and financial crisis that we have faced over the past two years? Whatever other problems there may have been, hedge funds and private equity have not been responsible for any systemic problems that that directive and others have tried to address.

Mr. Hoban: That is certainly a factor, and as the directive has proceeded through the European Parliament more and more people have recognised the widespread impact that it could have on a range of funds, whether they are used to fund the building of wind farms in Germany or mortgages in the Baltic states. The directive is wide-ranging, and people have not understood its impact. My particular criticism is that the Government caught on to that rather late in the process. Other Governments were lobbying prior to the publication of the directive earlier this year, whereas our Government seemed to be slow on the uptake. It was only once the industry got its teeth into the directive and considered its impact on London that the Government rode in behind.

We saw the same pattern arise with the appointment of Monsieur Barnier as a European Commissioner. The deal was done some time ago. The French appeared to give way and allowed Baroness Ashton to become the High Representative, but there seems to have been a quid pro quo: a Frenchman would take over as Commissioner for the internal market. The Government

[Mr. Hoban]

woke up to that quite late in the debate, and there was a flurry of spin and media activity in the days leading up to his appointment, but by that stage it was too late. Again, tactics took priority over the strategic approach that is needed to protect London's financial interests, and the same point applies to the documents that are before us today. The Government must be much more zealous in protecting Britain's interests and those of the financial services sector, which is an asset not just to London but to the wider European economy.

Mr. Cash: My hon. Friend knows that I have the gravest concerns about all this. Does he appreciate that although the trade associations—I mentioned the Association of British Insurers, the British Bankers Association and the Investment Management Association —have effectively endorsed the idea of this supranational authority, there is also a political dimension, because whereas they may have a multinational view about these matters in the global context, in terms of the City of London a political judgment has to be struck? That is why I personally take the view that we ought to resist this all the way down the line. As my hon. Friend the Member for Cities of London and Westminster (Mr. Field) said, people in the trade associations take a globalised view based on multinationalism, whereas when one deals with people in individual firms on the ground, one finds that they frequently take a very different view. Does my hon. Friend have any comment to make on that?

Mr. Hoban: My experience in this role over the past four years is that there is a wide divergence of views in the City about the role that Europe should play in the regulation of financial services. Several trade associations take the view that there should be a harmonised rule book, for example, but they are also concerned about the pace at which the reforms are progressing and whether a proper process is in place. We have seen that in the way in which the alternative investment fund managers directive has been dealt with. The devil is always in the detail. We need proper scrutiny of these proposals, and people need carefully to think through their impact. The problem is that when others seek to use their political agenda to shape regulation in Europe, it is sometimes to the detriment of our own sector based here in London.

Mr. Mark Field: I entirely accept what my hon. Friend says, but does he not agree with the thrust of the point made by my hon. Friend the Member for Stone (Mr. Cash)? If, rather than consulting often self-appointed market bodies notionally representing dozens or hundreds of members, one asks the market practitioners who have to deal day to day with the impact of much of this legislation, which may derive from our own Parliament as well as from Europe, one finds that they are much more concerned and can see the disadvantages. It could almost be said that one of the benefits of being in opposition is being able to talk to market practitioners instead of hearing from on high about the various benefits that such new legislation, directives and regulations may have.

Mr. Hoban: That reflects the argument that I was making. People support these moves in the abstract, but when it comes to concrete proposals there is a great deal of opposition to individual aspects. Later, I will discuss some of the areas where there may be greater protection in London than that specified in directives, and that is in our interests. Would that protection be removed as a consequence of harmonisation?

In the whole legislative process that has emerged as a response to the financial crisis, it seems that a great deal is happening in haste and not much has been well thought through. There is a danger that we are being pushed to sign up to directives and proposals very quickly without people fully thinking through their impact. The particular concern about this set of proposals is that there seems to be pressure from the Swedish presidency to agree the package at tomorrow's ECOFIN meeting and at the Council meeting later this month. Even trade bodies are concerned about the haste with which this process has been dealt with and they fear that not enough time is being spent on working through the detail.

We should recognise that if we want to get this legislation right, we need to spend more time working through the details instead of being forced to comply with artificially imposed deadlines that relate to whoever is in or out of the presidency at any point in time. Indeed, the Treasury Committee said in its report that

"it is better to be right than quick",

and went on to state that

"even on a cursory examination there are serious problems with the Commission's proposals which need to be dealt with before the Council agrees to the draft legislation and it moves on to the next stage."

The European Scrutiny Committee stated that

"we are disappointed that Member States, in the ECOFIN Council and in the European Council, intend to continue to press on precipitately with this legislation and that the Government seems content to acquiesce in this haste."

Will the Exchequer Secretary indicate whether the Government are content, if no agreement is reached tomorrow, to push the conclusion of this debate into next year in the interests of better scrutiny? The ESC continued:

"As we have already said, rushed legislation proves all too often to be poor legislation and we would expect the Government to insist that these proposals are properly negotiated to a sensible timetable."

We must ask why we have been pushed to respond so quickly to the reforms. If the proposals were straightforward and uncontroversial that would be one thing, but as the comments that have been made both by the Minister and in interventions have demonstrated, they are neither. It is not just people in the House who believe that. The Association for Financial Markets in Europe has stated:

"The rapid timetable is driven by the political commitment to have the ESRB and ESAs in operation by the end of 2010. It does however, particularly at a time when an unusually large number of policy proposals are under development in a range of areas in the wake of the financial turmoil, place great strain on the ability of policy-makers and interested parties to give the Proposals proper technical scrutiny. The time pressure is intensified by the fact that a series of Proposals whose content interlocks have been made, and are being scrutinised by the Council and the European Parliament, on a staggered timetable."

There is a strong message from inside and outside the House that proper time should be spent scrutinising the measures, rather than their being rushed through to meet an artificial deadline.

Mr. Jeremy Browne: I understand and agree with the hon. Gentleman's point that it is better to get the right solution and take time over arriving at that conclusion than to react in haste and potentially reach the wrong conclusion. However, he seems to be slightly at odds with some of his Back Benchers who, I get the sense, do not wish us to arrive at any conclusion at all. In other words, they reject the entire process, whether it is arrived at in haste or at great leisure. Is that his interpretation? It is worth exploring the real difference between those who wish to reach the end point after sufficient consideration and those who do not wish to reach the end point at all.

Mr. Hoban: The hon. Gentleman is being a little hasty in reaching any conclusions about a discrepancy in views between myself and my hon. Friends. I have just talked about the timetable, but there are other matters that I want to discuss that are related to the substance of the proposals, on which we have a great deal in common. It is not just about the time scale and process, it is about substance as well.

I wish to touch on a point that the Exchequer Secretary glossed over, but which has caused a great deal of concern for both the ESC and the Treasury Committee—the constitutional nature of the powers in question. There was a debate in the Treasury Committee about whether the powers to be granted in the proposals before us have a legal basis. In written evidence to the Committee, Stuart Popham and Simon Gleeson of Clifford Chance wrote:

"The ESAs will not have power to take decisions or to make rules—European law requires that these powers are reserved to the Commission . . d we believe that this could not be changed without an a . . dment to the EU treaty. The attempt to give the committees the power to review the issue of whether individual national regulators have correctly implemented EU legislation appears to be an attempt to stretch this point."

As we have seen, though, the ESAs will issue binding directions on compliance with EU law and on mediation between two regulators. If the power is to ensure compliance with the law that already exists, it is hard to see of what use it is. Is it a discretionary power or not? As it is presented, it is not clear, and the Commission itself seemed to allude to the same issue in the context of potential interference with the fiscal responsibility of member states when it stated:

"Incorrect application of Community law cannot be justified by financial grounds. The remainder of the Authorities decisions are either not directed to individual supervisors, or non-binding, and therefore by definition cannot have fiscal implications."

In other words, member states must surely already be compliant with EU law, even on fiscal grounds, so no decision made by the ESAs could have fiscal consequences. Once again, therefore, we must ask what the power is for exactly.

The confusion does not end there. Mr. Gleeson pointed out in his evidence to the Treasury Committee that if the power was found to be discretionary and was subsequently deployed, the European Court of Justice would be likely to consider any such directives

"ultra vires to the treaty",

and they would, as Stuart Popham put it, "cease to exist."

Mr. Cash: My hon. Friend raises an extremely important point relating to competing sovereignties. The European Court asserts its primacy over not only our laws but our constitution. I am glad to say that the leader of our party has affirmed that there will be a sovereignty Bill to deal with some of those questions. Does my hon. Friend agree that where there are such competing sovereignties, and it is in our national interests to do so, as it is in the case before us, it is essential that, if we come to power, we justify and carry through the leader of our party's commitment to the repatriation of legislation to ensure our economic competitiveness, using our sovereignty Bill?

Mr. Hoban: I suspect that my hon. Friend is pushing me to go further than I am inclined to go at this point, but I want to explore the legal argument, because there is an issue to do with the basis of the powers. I know that he is an expert on the subject, so he may want to contribute to the debate on that point later.

Article 95 of the treaty, as currently drafted, will be used to create the ESRB. That article usually deals with matters relating to internal markets, and it operates under qualified majority voting, but if any action arising from the provisions requires treaty amendments, there will not be that capacity, and confusion and paralysis will reign. Article 105 will

"confer upon the ECB"—

European Central Bank—

"specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings",

but of course it has an exception relating to insurance. Article 105 does not use QMV, and so allows for national vetoes. It is not clear where primacy sits, and what voting mechanism is appropriate.

There is an alternative basis for the powers in article 308—a residual power that could be used to set up the bodies. However, that requires unanimous decision making. Using that power would make more sense, if it turned out that decisions made by the ESAs were likely to be ultra vires to the European Community treaty if made under article 95. However, I gather that use of the power under article 308 would require amendments to a treaty, which is something that Governments and the European Commission might be reluctant to undertake at the moment. That gives the impression that article 95 is being used to set up the powers more for convenience than because it would give the documents a proper basis.

Let me turn to the detail. It is important that we tackle the timing and the legality of the arguments. The Minister rather glossed over those points, and in her winding-up speech she should give the House more clarity about the robustness of the arguments on the legal basis on which the new authorities are to be established.

We want measures to be taken to improve the quality of supervision and co-ordination across Europe, but we do not want that to impinge on the regulatory and fiscal sovereignty of individual member states. As the Chancellor wrote of the new regime, in his letter of response to the de Larosière proposals,

"it would not supervise individual banks...leaving that to national authorities...given that arrangements for resolving difficulties in these firms remain a national responsibility."

That is the dilemma that we need to resolve, and that is the principle on which the proposals will be judged in all parts of the House.

Mr. Heathcoat-Amory: My hon. Friend is quite right that we must guard our fiscal sovereignty, but is he not underestimating the confusion that will be caused if there is ambiguity about exactly where these bodies reside in Europe? We got into a terrible muddle in our own country when supervision fell into a black hole between the Treasury, the FSA and the Bank of England. There will be more confusion when it falls into another black hole between the European Parliament, the Commission and the Council of Ministers. We will have a six-sided black hole, if that is not a contradiction, whereas we need certainty and clarity for all market operators. Even if the self-imposed test on fiscal sovereignty is passed, does he not think that we are creating immense confusion and ambiguity about the whole process of supervision of a vital national interest?

Mr. Hoban: Indeed, and that is the point that I was trying to make about the legal basis for the powers that will be used to set up these authorities. It appears to be a matter of some debate whether the appropriate legal basis is being used. If that is not clarified properly, I can foresee a situation in which the moment these authorities seek to make the first difficult decision that an institution or member state does not like, challenges in the European Court will be resorted to. At a moment of crisis, when we want prompt action to be taken, the fact that there is no legal certainty—or no appearance of legal certainty—will lead to chaos. That is why I think that it is vital that legal certainty on these powers is sought before the proposals are approved. We can debate whether the powers are right or wrong, but there must be legal certainty to avoid that chaos. The Government have a responsibility to the financial services sector in London and more widely across Europe to ensure that there is that legal certainty.

Let me go back to fiscal sovereignty. As I said, the proposals create a new European systemic risk board and the June ECOFIN conclusions said that its function would be to

> "Define, have access to and/or collect as appropriate, and analyse all the information relevant for identifying, monitoring and assessing potential threats and risks to financial stability in the EU that arise from macro-economic developments and developments within the financial system as a whole".

It has limited powers that follow on from that analysis. It has the power to issue risk warnings to regulators and policy makers, and it can recommend legislative action where appropriate. It cannot insist on those actions being followed up—it purely has the ability to recommend. I do not think that that should cause us any concern at the moment. We are in favour of bodies on a regional or global level analysing and understanding risks and presenting their thoughts on the consequences of those risks.

The three new authorities replace the existing level 3 committees and will cover the same areas of banking, insurance and securities regulation. Whereas the ESRB will lack a legal personality, the ESAs are explicitly given one. Just like the ESRB, the new supervisory authorities will research, collate and comment on relevant micro-prudential issues. They will also be responsible for developing binding, harmonised technical standards. If an individual member state is in breach of those standards, and an issue cannot be resolved, one of the supervisory authorities might make a final decision via binding mediation.

We can see already that we are in danger of breaching the red lines that the Chancellor initially laid out. This is another example of the rather laidback approach that the Government have adopted to their policies. Back in June, before ECOFIN, Lord Myners said that

> "the Government does not agree with the Commission's proposals to give a European body powers to change national supervisory decisions, or powers over individual firms".

That is exactly where we are in danger of heading. The ESAs will be able to act on both areas through binding mediation, in the case of disputes between national authorities under article 12, and the binding power to ensure that firms and national authorities comply with EU law when the Commission declares an emergency situation under article 10.

Mr. Cash: I agree with my hon. Friend's analysis, but the danger is that, because of mission creep, there will be increasing control—the practitioners instinctively feel that that is coming. Those who are promoting this whole superstructure, including the Government and Lord Myners himself, would hand over the City of London, lock, stock and barrel to a supervisory authority that will insist that it has its way. That is the problem and it is completely contrary to proper market conditions. That is where the problem lies for the City, and it will end up in competition with New York instead of working across the Atlantic as we should do.

Mr. Hoban: My hon. Friend makes an important point about mission creep when it comes to these authorities, and he has been very critical of trade associations so far. However, the Association for Financial Markets in Europe has identified that as a potential issue. It is concerned that ESAs will go beyond technical issues and stray into policy. It said:

> "It will be important to ensure, in the context of the 'Omnibus' Proposal, that technical standards do indeed respect the 'technical'/'policy' distinction, and in particular that they do not inappropriately constrain supervisory judgements by national authorities that are provided for in the sectoral Directives."

It also argued that checks and balances would be necessary to prevent such mission creep. There is therefore widespread recognition of the risk of mission creep, and delay is important so that we can work through the issues and say exactly what these new bodies can do, what constraints there will be on their activities in practice, and what their modus operandi and their approach to their mission will be. We also need to know what resources they will have to enable them to meddle in the activities of individual national supervisors. We are in danger of reaching a political agreement at ECOFIN and the Council without really thinking through the practical implications for London as a financial services centre. That is the challenge for the Government. Will they sign up to this tomorrow, or will they argue that the consequences have not been properly thought through? I hope that the Minister will respond to that challenge in this debate.

The Minister adopted a contradictory approach. She said that the final proposal must respect the red lines agreed at ECOFIN in June, but at the same time she seemed to accept that the supervisory authorities could make a decision that had an impact on our fiscal responsibilities. She was content that a safeguard mechanism would be in place to allow us to appeal if we thought that that was happening. However, we cannot on the one hand say that there must be no fiscal impact and on

the other argue for improving the safeguard clause in article 23 by tightening up the wording. We either have red lines or we do not. The Minister needs to be much clearer about that. Lord Myners, when considering the disparity between the legislative proposals and the Council's recommendations, said:

"the legislative proposals appear to go further than what was agreed by heads of state at June European Council".

We are now being promised improvements to the fiscal safeguards, but can the Minister tell us what forms these might take?

There is also a challenge to the Government red line in dealing with emergencies. At the moment, the document is drafted so that it is the Commission that decides what constitutes an emergency and the ESA can override the national supervisor subject to the appeal mechanism set out in article 23. We know from our recent experience in the financial crisis that it is at moments of crisis and emergency that the interests of national Governments and taxpayers are paramount, but we seem to be allowing a situation in which the ESA, in a crisis determined by the Commission, could overrule the judgments of national supervisors and have an impact on fiscal responsibility.

We want the Government to maintain the red line and stick to their principle that there should be no impact on the UK's fiscal position. However, yesterday in the Financial Services Bill debate, when the Chancellor made his opening remarks, it sounded as though he was watering down the red line. He seemed to be going for a situation in which not the Commission but the Council declares a crisis. However, that still allows the European supervisory agencies potentially to override national supervisors, which I do not think respects the red lines agreed in June.

Mr. Mark Field: I agree entirely with the last passage of my hon. Friend's speech. I also agree, with foreboding, that the red lines to which the Exchequer Secretary referred are likely to be largely illusory. Does my hon. Friend agree that a more sensible approach to constructing red lines—if we are to go down that path—would be to say that regulation should be dealt with at the European level and the supervisory element entirely at a national level? The overlap is obvious between a European and national supervisor. The supervision element should be entirely in national hands. That would be a sensible red line, if one is to be fought over tomorrow and in the negotiations in the months and, potentially, years ahead.

Mr. Hoban: My hon. Friend makes an interesting point. If regulation is dealt with at a European level, there is the risk that in the process of the binding mediation outlined in the documents, in a conflict between how supervisory authorities interpret the regulations, the ESAs could intervene, through that mediation, and create another fiscal impact. This is a complex area. I do not think that the Government have got their red lines in the right place, and they are certainly not defending them as vigorously as we would have hoped, given the conclusions reached in the June Council.

The Labour-dominated—as Opposition politicians like to refer to it—Treasury Select Committee report made itself very clear. Paragraph 84 stated:

"We recommend that the Regulations provide proper protection for the fiscal position of Member States. It needs to be far stronger than the current provisions. We do not understand why the Commission has departed so far from the ECOFIN conclusions of June this year and we insist that UK Ministers do not agree to any of these provisions until the fiscal sovereignty of the UK is protected by a veto."

That is a very robust statement and recommendation by the Select Committee. Two distinguished Committee members are here this afternoon, and I am sure that they will stand by it. It is difficult to see, however, how the Government can say that their red line has been recognised in the architecture if they do not achieve that veto.

Stewart Hosie: The hon. Gentleman said earlier that it is necessary to move quickly during a crisis, and that is absolutely right—this is not just a fiscal protection. Is it part of his argument that changes to the prospectus directive, for example, could hinder the issuing of shares and raising of cash in an emergency? The capital requirements directive, for example, is split between the European banking authority, in relation to the implementation of Basel II, and the European securities and markets authority, in relation to non-prudential issues. Is that the kind of confusion that he thinks might delay quick action in an emergency?

Mr. Hoban: Actually, my point goes back to the exchange between me and some of my hon. Friends about the legal basis of the powers, which is not clear and about which there is some doubt. That could create confusion as people seek to test whether the pronouncements of the ESAs are valid in the context of European law. That is where some of the confusion will potentially emerge.

Let me move on to another aspect on which I am not entirely sure that the safeguards in article 3 are sufficiently robust. As I mentioned earlier, the ESRB has the power to propose changes in response to risks that it identifies in the European economy. It can propose actions, but it does not have a mechanism for enforcing those recommendations. The problem that I see in how the various bodies interlock is that although the ESAs have the power to ensure that supervisory authorities follow the recommendations of the ESRB, that is not covered by the safeguards in article 23. I wonder whether the Minister could assure the House that the safeguards set out in article 23 will be extended to cover situations in which the ESAs seek to implement the recommendations of the ESRB.

I intervened on the Minister about the composition of the steering committee of the ESRB. I made it clear then that we want to ensure that the final document contains some recognition of the fact that there should be two bank governors on the steering committee who come from non-eurozone countries. The Minister said that she would find out how any conclusions reached in the Council could be made binding.

There are a number of other issues that we could touch on in this afternoon's debate. I have already raised a couple in interventions on the Minister, such as who will be responsible for supervising the central clearing houses. There is also concern about the scope of the European securities and markets authority. There have been a number of representations from institutions in the City of London that are concerned that the authority's remit could impact on the takeover directive, on which there has been a hard-fought campaign to reach consensus

[Mr. Hoban]

across Europe. It appears that the takeover directive falls within the scope of the European securities and markets authority. There is concern that the authority might seek to move away from the consensus that has been achieved on the directive in respect of takeovers in the UK and undermine the work that the Panel on Takeovers and Mergers does. I wonder whether the Minister could clarify whether she expects the Government to call for the European securities and markets authority's remit to be restricted to exclude the work on the takeover directive.

I have talked about the concern in the City about whether the European securities and markets authority's role in fleshing out some of the technical detail on directives might be extended to cover policy issues, but there are other areas of concern. For example, shareholders in the UK receive greater protection when making substantial transactions here than they do elsewhere in Europe under existing directives. Will there be sufficient flexibility in the new regime for shareholders to continue to benefit from that additional protection?

Let us look at what happened in Spain in this financial crisis. Spain consciously diverged from the capital requirements directive by allowing dynamic provisioning in its banking sector, which many would argue safeguarded it against some of the problems seen elsewhere in the European financial sector. Would the European banking authority's powers prevent a central bank from imposing those additional requirements on banks in its country? If it did, the Spanish banks would have been in a detrimental position compared with the current status that they enjoy, and central banks would have less discretion to protect depositors and taxpayers.

In conclusion, there are a range of issues in the proposals before us that require further scrutiny. They also require the Government to adopt a tougher negotiating position at ECOFIN tomorrow and at the Council meeting later this month. I have to say that I am not optimistic about the Government's chances of insisting on their red lines, because they have repeatedly left debating these matters until too late in the process. They have too often been slow in getting involved in discussions about how these directives should be shaped when they are going through the processes in the Commission, leaving it until the directives have been published before engaging in the debate.

These legislative proposals have gone beyond the position agreed in the ECOFIN meeting in June and the later Council meeting, which I believe has happened because the Government have not been sufficiently proactive in engaging in the European debate. That is why Conservative Members say it is important for a senior Treasury Minister to spend as much time as necessary in Brussels and other European capitals to strengthen our opportunities to engage on these matters earlier and more effectively. We would have Ministers engage in the debate in ECOFIN, making sure that Britain's case is strongly and clearly made. We need to bolster our operations in Brussels and ensure that more Treasury civil servants are working on European matters. We also need to ensure that the regulator continues to engage vigorously in the debate. As these new European authorities are set up, it will become even more important that we are part of that set-up and arguing for the interests of London as a global financial services centre.

I think the stakes are high. The Government appear to be disengaged from the European process until the very end. Rather than engaging throughout that process, they come to life only then, trying to change already drafted documents rather than influencing the drafting. The Government's approach always appears to be about tactics, not about strategy. The financial services sector in London is a global success story, but I think the Government, through their cavalier and insouciant approach, are in danger of putting that success at risk. By opposing the motion today, we are sending out a very clear signal that that approach needs to change and will do so only with a change of Government.

5.32 pm

Mr. Mark Todd (South Derbyshire) (Lab): I burdened the House with quite a lengthy speech yesterday and I hope not to detain it quite so long today. There are some linkages, as I indicated in my earlier intervention on the Minister. First, we need to be grateful that Her Majesty's Opposition now regard a French banker as a useful resource for advice for their proposals on regulation, instead of an opportunity for rather stereotypical carping. We can see some evidence of progress in policy formation there.

The hon. Member for Fareham (Mr. Hoban) challenged me on the possible payback that Mr. de Larosière might secure from his endorsement of Conservative policy, but we may have seen it in the hon. Gentleman's speech. Instead of questioning the architecture and philosophy of the regulation that came from the relevant group, the focus of his speech was on process and timing. I am certainly going to touch on those things, but I will also address some philosophical concerns about this approach and the direction in which we are heading.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I am grateful to my hon. Friend for giving way before he proceeds to the main points in his speech. It appears from the final comments of the hon. Member for Fareham (Mr. Hoban) that the Conservative party not only speaks highly of proposals from a French Minister, but that it wishes a Treasury Minister to take up a more or less permanent residence in Brussels in order to pursue UK interests. It seems like a welcome change that we have seen from the Conservative party today.

Mr. Todd: Let us leave it for the electorate to decide what they make of Conservative policy, its origins and its allies. I certainly listened with attention to the speech of the hon. Member for Fareham. I have to say that Conservative politicians speaking from the Front Bench about Europe always have a somewhat tightrope-like approach, particularly when the hon. Member for Stone (Mr. Cash) is in his place behind them, trying to prod them in other directions. The speech was an interesting attempt to adhere to a tightrope in spite of provocations from time to time.

Let me go to the fundamentals of this issue. The previous model of what constituted not European regulation but advisory frameworks in this policy area was focused on what I would regard as the useful

purpose of enabling information and practical experience to be exchanged between regulators in the various marketplaces.

Not everyone feels that talking shops have value. For instance, the Governor of the Bank of England has made a number of entertaining and, one might say, dismissive remarks about de Larosière's thoughts on this area of European intervention. When questioned about the future function of the European systemic risk board, he said:

"Whether this body turns out to be a mere talking shop or a useful talking shop, in terms of an exchange of views and ideas being generated, remains to be seen—that is up to the people who sit on it. We will see. I go to vast numbers of international meetings and I cannot claim that most of them live up to the billing that one would hope. Nevertheless, as I said, hope springs eternal—cautious, moderate hope for this committee—and we will do our best to try and raise the level of debate."

There is certainly evidence that some of the international gatherings that are organised to discuss even the more practical issue of regulation may have relatively little value. However, let us take a slightly more optimistic position than that taken by the Governor of the Bank of England, and suggest that these forums for the exchange of information and experience may have some value. What I have puzzled over is the question of what added value results from an extension of that role of information exchange and experience exchange into an activist regulatory framework. That is what the proposals before us represent, not in their fully evolved form—as I shall explain later, I believe that we are moving along a ramp towards a rather higher level of intervention than we see before us now—but certainly in the early stages of establishing a European regulatory framework in the relevant marketplaces.

I have no principled objection to such an extension as an idea—unlike the hon. Member for Stone, who certainly would—but I should like to see a demonstration of the practical added value that would result from the additional layer of regulatory intervention. I have not seen a case proven which shows that the establishment of some European regulatory framework will cause our consumers to be better protected, our taxpayers to be better protected—from chaos—or the individual trading entities within our nation states to be better protected.

Stewart Hosie: Is it not the case that we will probably end up seeing the European regulatory framework body negotiating with the United States, Japan and others? That, surely, will be the level at which global negotiation will take place, as in the case of trade talks. Is this not an interim step in that direction? Rather than 200 countries negotiating and concluding on a framework global regime, a European body will conduct negotiations on our behalf.

Mr. Todd: That is the model for trade negotiations now, and it would certainly be a possible logical outcome of this approach. My constituency does not contain a financial services community—people make things there, and I am glad of that—but financial services constitute an important part of our economy. I respect that position and would wish to defend it, but I do not think that that would be the best means of defending it.

I am not persuaded that the case has been properly made, but if we accept that the intellectual basis of these changes is a wish to improve market functioning to ensure that we have a single market that works more effectively, and to increase the resilience of that marketplace—in other words, if the aim is the protection of the various entities to which I referred earlier—I am not sure that that will result from the actions we are taking in agreeing to the establishment of these agencies. I would like that case to be set out in practical terms—what does this mean, and how will it deliver added protection and added value in this critically important sector of our economy?

There is also the issue of deciding both how we are to proceed and how these bodies will operate once they have been decided on and set up. The decision-making process is somewhat strange. I devoted some time to this issue in Treasury Committee discussions. We have by far the largest financial services sector in Europe, yet in the decision-making framework and processes of these bodies—and they will be making decisions—our voice appears to have no greater weight than any other member state. We therefore face some risk of having to spend a significant amount of our time seeking to persuade regulators and their representatives from member states with tiny financial services sectors of the merits of our arguments in horse-trading discussions on technical matters that are largely irrelevant to them, but which they nevertheless have a say in and a vote on. One has to wonder about the merits of that.

Let me relate an exchange I had on this subject with Lord Myners in the Treasury Committee. I pointed out the rather different degrees of importance of the financial sector for various member states, and he said:

"I think we would expect our voice and credibility to be reflective of the significance of the financial services industry. Of course it is also worth remembering that we have consistently made the case that European legislation and proposals must be evidence-based and must be the consequence of proper consultation with an impact assessment. We have seen things come out of the Commission which do not meet those criteria".

I hinted to him that I had heard a suggestion that one of those things was the venture into hedge fund regulation, and he said, "Absolutely." I asked whether that exemplified the problem of constructing European responses in sectors where one nation state has virtually no industry at all and another has a very large industry. He replied:

"One would expect those nation states which have the greatest economic interest in this area to be the leaders of debate and discussion, as indeed you would over aspects of European policy such as fisheries or agriculture."

I have spent a considerable chunk of my parliamentary life debating fisheries and agriculture, and I do not find great reassurance in such a reference to the decision-making processes on those matters within Europe. What we have, therefore, is a hope—or an expectation, to refer to the word used by the Minister—that Britain's voice on these matters will be heard loud and clear. I must admit, however, that I would like more than a hope, and even more than an expectation, that we will be able to protect our interests when decisions are made.

I had expected to hear some of the points I am making from official Opposition Members, but such is their new love-in with Mr. de Larosière that perhaps they have tempered their thinking in this area. We shall see.

Mr. Hoban: This is exactly why we have said in our paper on financial regulation that we want to have more engagement—so we can lead that debate in Europe. The

[Mr. Hoban]

problem at present is that the Treasury is absent from leading the debate, which is why we have ill-thought-through proposals such as the one to which the hon. Gentleman referred: the alternative investment fund directive.

Mr. Todd: That is a slightly slippery response, because that is not the point I was making. I agree that the physical presence of Ministers and their activist role in negotiation is important, but I was addressing the outcomes of such negotiation, even in cases where they are there arguing their case. The hon. Gentleman chose not to comment on that.

We seem to be heading down a path, and I can see where its origins lie. There was an understandable reaction to financial collapse—I sense a lack of confidence, to some extent, in the Anglo-Saxon models of financial services—and a space opened up for activism at the European level. I can well understand how that arose, but I am concerned to ensure that we limit this progress as far as possible. Some red lines can be drawn, but my worry is whether the lines are really red, or pink. Given the decision-making process, about which we have had much more informed discussion, I am not utterly persuaded as to how hard we will be able to hold to those red lines if others do not endorse our positions, however rationally we put them.

I want to set out what those red lines should be, although most of them have been mentioned. First, there should clearly be no intrusion into the fiscal responsibility of individual member states. The hon. Member for Fareham quoted from the Select Committee report. Hon. Members may contradict me if I am wrong, but I believe that I strengthened some of that report through our debates, and, thus, I endorse its sentiments. Secondly, there should be no ability—I stress the word "no"—for any of these agencies to intervene over the heads of the national regulator; they should not be able to intervene individually with companies or to direct the role and actions of the national regulator. Neither of those activities is an appropriate function for the individual European agencies.

Thirdly, I can see no value in setting aside a particular function in an "emergency"—quite how one defines that is another matter—to any of the European agencies. Such an approach appears likely not only to raise the issue of legality, which has been touched on, but, more practically, to get in the way of the urgent action that will be required in many instances. I dread to think what would have happened if we had felt that the most appropriate response to the collapse of the Icelandic banking system and its consequences to the UK was to ask some European agencies how best we should deal with that. Criticisms of how the Government acted in that instance have been made, but I am much more comfortable with having those decisions made by a UK authority in the interests of UK taxpayers and account holders, than with passing the task to a European agency.

Christopher Fraser: The hon. Gentleman therefore surely agrees with me that the word "emergency" is so ambiguous that the Government need to define better its meaning and applications.

Mr. Todd: Probably, but I might be even more absolutist, in that I cannot conceive of an "emergency" in which passing the task to a European agency would genuinely add value in dealing with a crisis. The task is to act with urgency in many of these circumstances, and to consult as fast as we reasonably can with others.

We all recognise that the financial services sector crosses borders, and entertaining one-liners have been thrown into the debate about financial services businesses being global in life but national in death. That is obviously true but, in practical terms, it is individual nation states that must make the rapid responses.

For all those reasons, I hope that the Government will act with firmness and a clearer philosophical determination about what is in the best interests not only of our financial services sector, important as it is, but of our taxpayers and our nation as a whole. We have conceded some ground already and, although I have doubts about how far we should have gone, I accept what has been done. We should now make sure that any regulatory framework that emerges from this process clearly adds value to the sector. In addition, it must not intrude on the nation state's role in the regulatory operation of the financial services sector, or on a Government's fiscal responsibility to ensure the successful rescue of any business.

5.51 pm

Mr. Jeremy Browne (Taunton) (LD): I begin by congratulating the hon. Member for South Derbyshire (Mr. Todd) on his speech, in which he appeared to be auditioning for the role, in the event of the Conservatives winning the next general election, of the new banger-together-of-heads in Brussels. Whereas the hon. Member for Fareham (Mr. Hoban) made a rather equivocal speech from the Conservative Front Bench, the hon. Gentleman gave us something a bit more robust in respect of defending the national interest. I look forward to his being a GOAT after the next general election, if indeed there is a change of Government, and to watching him enjoy a suitable lifestyle in Brussels while he defends our national interest, with zeal and on a daily basis.

The backdrop to our deliberations this afternoon—and, indeed, yesterday and for many months—is the huge regulatory and systematic failure of our financial system. That failure has had huge and ongoing consequences and ramifications for our economy, our banking sector and our tax burden. It also led to the enormous deficit that we as a country are continuing to finance, so those who would like to wish away the circumstances surrounding this debate must face up to the fact that we are living now in a situation that is very different from the one that existed a year or two ago. We have to ask some fundamental questions about how we got into this position, and how we respond to it.

The fact that the UK has the largest financial sector is the main, but not the only, reason why we found ourselves particularly exposed when the system failed. That is why many people in Europe might observe that our representatives around the table in Brussels tomorrow will have as much reason to listen as they have to talk, and that there may be aspects of our performance that could be improved on.

The widespread enthusiasm for greater regulation is an instinctive and natural response to failure of the type that took place. People feel that we must regulate with

more zeal and a greater desire to intervene. I believe that the Conservative spokesman, the hon. Member for Fareham, used the expression "proactivity", and I am sure it is true that we need to be more proactive in that regard, although people mean different things when they talk about regulation. Some want banks to be split up, others want an end to the tripartite arrangement in the UK, while still others fixate particularly on the bonuses paid to people operating in the financial services sector.

There is a tendency to lump all those concerns together and to demand greater regulatory intervention in the financial services sector, but how we regulate and how fast we should do it remain open questions. The debate in this country is obviously very much alive, as we saw when we discussed the Financial Services Bill yesterday, but the global circumstances of the collapse that we have just experienced are without precedent. The effects of recessions in the past have of course moved from one country to another, but the consequences of failure are more profound now thanks to the greater interconnectivity and inter-reliance of the financial services sector.

Many people have observed that our status as such a big financial centre proved to be a mixed blessing. As the hon. Member for South Derbyshire noted, the banks located in London were global institutions yet the burden of picking up the bill when things went wrong was national. The problem was that those institutions were so big that it was difficult even for a national economy as large as the UK's to deal with picking up the bill without huge implications for Government borrowing and indebtedness, and the Government's exposure in that regard has had many ramifications.

Mr. Cash: Does the hon. Gentleman agree that it is totally crass for the Government to hand over the running of financial services to the EU, and then to saddle themselves with the responsibility for bailing people out when things go wrong? How stupid can you get?

Mr. Browne: I am not aware that anyone in this debate has proposed that course of action—

Mr. Cash: It is what this is all about.

Mr. Browne: The hon. Gentleman says, from a sedentary position, that that is what this motion is all about, but the nub of the debate is whether that is the case. I shall deal with that in a moment, but we all acknowledge that these enormous financial institutions have tentacles that reach into many different markets. That is why it is appropriate for us to ask ourselves whether the regulatory regime that monitors them should have a similar scope, and a dimension to its activities that reflects the scale and nature of the organisations being regulated.

Because we have the most advanced financial services sector in Europe and are the dominant players in the market, the proposals before us today could have some benefits for the UK. A market whose general regulation applies the same rules to all European countries could present opportunities for us to achieve greater profitability and wider expansion, as long as there is no improper restriction of our financial services sector. That is important, because regulation must not restrict legitimate competition. I believe that people sometimes reach for regulation—in financial services or any other sector—as a way to try and bring about a lowest-common-denominator uniformity. There should be robust competition between institutions, so that will ensure that they are profitable and successful and offer value for money to their customers. There need to be safeguards, and we have to learn the lessons of the massive failure that has taken place, but we must not restrict financial services institutions to the extent that they are unable to compete and develop in a meaningful and beneficial way.

The point has been made by others, including the hon. Member for Fareham, that the system being proposed has been advanced with great haste. Of course, that is also the view of the Treasury Committee. Its initial report, which was published on 11 November—although that was only a few weeks ago, the report has already been overtaken by subsequent publications—said:

> "While the intention of the new regulations is widely welcomed, there is a great deal of unease about the detail. There is still more unease about the speed with which it is hoped to agree them; the Presidency is pressing for their adoption by ECOFIN at the Council on 2 December. We consider that is far too fast: the proposals will set in place a framework which should last for many decades, and there should be proper time for consideration."

I do not know whether the deputy Chairman of the Committee, the hon. Member for Sevenoaks (Mr. Fallon), will speak about that observation further, but it is a reasonable point. The horse has already bolted, so there is not such a degree of urgency to deal with the risk because, I hope, the chances of a similar failure happening in the immediate future are modest. We are trying to deal with the long-term response to the dramatic failure that has already happened, but there is no great pressure on us to act right now. I share the view of the hon. Member for Fareham that it would be better to spend more time on this and get it right than to try to put in place unsatisfactory measures with great, and perhaps excessive, haste.

The Government need to take seriously several issues relating to the proposals that will be considered by the EU tomorrow. My fellow Somerset Member, the right hon. Member for Wells (Mr. Heathcoat-Amory), who is no longer in the Chamber—he clearly lacks my zeal for this subject—asked the Minister about the system for appointing the people who will sit on these regulatory bodies and to whom those people will be accountable. I hope that the Minister will respond to those points. I understood from what she said that while she had some views on accountability, she was less clear about the appointment process.

The right hon. Gentleman's question was legitimate, not least because, as I tried to suggest in my intervention, we all know that member states have different opinions on the way in which the financial services sector should be regulated. There is widespread suspicion in France about the so-called Anglo-Saxon model of capitalism, and those in France feel somewhat vindicated by the events of the past few years. There is, however, a different consensus in Britain. The three main parties sometimes have more in common with each other than we do with the consensus in other EU member states. It is important that there is transparency in the appointment process regarding who gets to occupy a position and to whom they will be accountable.

[Mr. Jeremy Browne]

It is also important that the status of the City of London is recognised and not damaged. The hon. Member for South Derbyshire expressed the view that, given that Britain is so dominant in this regard, it would be weird if that was not reflected in our ability to contribute to the deliberations. However, others in the EU might dispute that principle. On that basis, member states that share land borders with non-member states might say that their input into discussions on border security should be greater than that of the United Kingdom, which is in a different position. The hon. Gentleman cited fisheries as an area in which some countries have a greater stake than others. I imagine that Austria, for example, is less preoccupied with that matter than Britain, Spain or France. There are therefore problems with the hon. Gentleman's proposal, but we nevertheless have a clear national strategic interest that the Minister needs to address.

I agree with those who say that fiscal policy is a matter for member states, in which regard I hope to catch the attention of the hon. Member for Stone (Mr. Cash). He is right that taxpayers in his constituency and mine, not French and German taxpayers, have financed the bail-out of the banks in the United Kingdom. We therefore have to be confident that the taxpayers whom we represent will not be left to pick up the tab without our having the ability to regulate the institutions that they ultimately have to protect. It is right and sensible that fiscal policy is the preserve of member states, and that should be a settled matter.

The Minister needs to give greater clarity, perhaps in her winding-up speech, about the interaction between what is proposed and national systems of regulation. If we in this country are to review the way in which we regulate our financial services sector—for example, the Conservative party has radical and far-reaching proposals in that regard—that process cannot be seen in isolation from what is considered suitable on a European scale.

The Minister needs to satisfy herself on several details during both the European negotiations and her deliberations in London. For example, what are the procedures for data management and security? If the financial services and banking sectors are to be regulated, that will presumably require large amounts of information to be imparted, some of which might be highly sensitive or confidential. It is only right that we should be satisfied that such information will be handled in a suitably discreet and appropriate way. I accept that that point is not the absolute nub of the argument—perhaps it is a secondary issue—but it is important that any system put in place functions effectively. We should not find British institutions, or even British individuals, being put in an unfortunate or undesirable position as a result of malfunctioning European regulation.

Christopher Fraser: We will.

Mr. Browne: The hon. Gentleman says that we will, but I want to safeguard against that. I do not wish to have a disagreement with him—certainly not on this subject—but if we agree a system, it must be robust, and we must test its ability to do its job properly to at least the same extent as if we put a system in place in this country. We do not want to introduce a system with undue haste because of a desire to be seen to be co-operating at a European level and acting with a degree of compromise to ensure that other countries' considerations are taken on board, and then to find that those factors lead to structural deficiency in the mechanisms that are put in place. If such a thing happens, we will come to regret it when the systems are tested to destruction as they step into action to try to respond to a future shock.

I observe the paranoia in the Conservative party whenever we discuss anything to do with the European Union. There is a belief among Conservative Members that every negotiation in the EU should involve setting out Britain's fears about co-operating with any other like-minded country before going into the negotiations with a determination to protect our position, rather than trying to engage in a sensible exchange with other EU countries. We have a lot of interesting knowledge and many observations to impart, but we might also have interesting things to learn from other countries, because our country has not covered itself in glory. If the Minister starts tomorrow's negotiations by saying that we have lots of red lines because the way in which Britain has regulated its financial services sector has been so brilliant that everyone else had better learn from us, she might find that that is not the best way to reach the conclusion that is most beneficial for Britain.

Mr. Cash: The hon. Gentleman betrays a remarkable lack of knowledge about the extent to which the French in particular and the Germans, who are also going for the European bank, have set their hearts, minds and political will on doing as much as possible to ensure that the City of London does not survive as the main centre in Europe. The hon. Gentleman is completely and totally off the wall.

Mr. Browne: I do not know if I am grateful for that intervention. When I spoke about paranoia about the European Union, I did not necessarily have the hon. Gentleman in mind, although he may have identified with that feeling. There are many good reasons why London should be the financial services capital of Europe, as it offers entrepreneurial dynamism and labour market flexibility, and the fact that we speak English helps. We should not be burdened by regulation. In fact, I made the point, which no one else has made, that regulation should not be a byword for dumbed-down lowest-common-denominator uniformity. It should allow competition and innovation, and in those circumstances we should be confident that London and Britain can do better than other European countries such as France and Germany. I have also advanced the reasonable argument that it would be a mistake to go into the negotiations patronising other EU countries by telling them that they have everything to learn from our regulation of the financial services sector and we could not conceivably learn anything from them, even though the evidence of the past few years suggests otherwise.

I wish the Minister well, as this is a valid exercise. In a world of global interdependence there is a role for a European dimension. We need to make clear the parameters of that role and where nation states should rightly retain pre-eminence—that has been usefully discussed today. I do not share the somewhat paranoid perspective, in my view, of the hon. Member for Stone and others

that any discussion of a European dimension to regulation is inherently bad. There is a role for it, but we must make sure that it is proportionate and that there are clear lines so that we do not have confusion the next time there is a financial crisis about which regulatory systems have which responsibilities.

6.12 pm

Mr. Michael Fallon (Sevenoaks) (Con): I remind the House of my interests recorded in the register.

It is not at all clear after 21 minutes of oration from the Liberal Democrat spokesman exactly where his party stands on the proposals, and whether in fact it would not just wave them through. The hon. Member for Taunton (Mr. Browne) asked for a little more clarity, for safeguards on data protection and so on, but it is not at all clear where his red lines lie. He accused Conservative Members of paranoia, but I draw to his attention the Treasury Committee report on the proposals, which is lying on the Table and which was signed by the two Liberal Democrat members of the Committee. The criticisms that the Treasury Committee made of the proposals were made by all parties in the House, particularly by the two Liberal Democrat Members who signed up to the report.

The proposals are deeply flawed and damaging to the City of London and Britain, so they must be resisted. In my view, the Commission has gone far beyond the remit that it was originally given by the European Council in June, as the proposals seek to supervise not only the domestic regulators but domestic private financial institutions in member states. They have a dubious legal basis, as our Committee identified and as we have discussed. They would transfer much more supranational authority to the Commission than was originally envisaged, and they remove, in their current form, all the safeguards that the Heads of Government themselves wanted to include to protect their national taxpayers.

Not only have the proposals been drawn up in great haste, as hon. Members on both sides of the House have pointed out, but they ignore the work under way in other international forums. Proposals have emerged from the G20, and new work is under way to produce proposals in the Basel committee. Proposals have emerged from Congress with which these proposals, in the end, have to sit, otherwise we may well find that we are once again in the midst of the kind of regulatory arbitrage that got us into difficulty before, as we are dealing with finance houses that are increasingly global in operation.

In my intervention on the Minister, I pointed out that in the draft as it stands there is absolutely no guarantee that the non-eurozone countries will be properly represented on the proposed European systemic risk board. To me, and I think to my hon. Friend the Member for Fareham (Mr. Hoban), that should be a red line that applies not simply to the United Kingdom but to other important financial countries such as Sweden that are outside the eurozone. It is essential that the non-eurozone countries are represented on the board, and I hope that when the Minister makes her winding-up speech, she will make it clear that that is in fact one of the Government's red lines and is not simply an aspiration. We should not agree to a proposal to set up the board if it does not include proper representation as a requirement for the non-eurozone countries.

Another problem is the kind of powers that the ESRB will have. Some witnesses who appeared before the Treasury Committee thought that it would be something of a talking shop, but that is no bad thing. Across the European architecture, there should be some way for the ECB governors and others to meet to discuss the issues collectively—that was the bit that was missing between the ECB and the national supervisory authorities before, and I do not oppose it. Equally, however, our conclusion was that the board may well be more effective than simply being a forum for discussion, and we said that

"it would be a mistake to underestimate the extent of the ESRB's potential to trigger real effects".

Again, I should like to hear from the Minister whether it is the Government's position that the board should be more than a discussion group, and that she is prepared to concede that it should have some real influence. After all, as we pointed out, if the three so-called ESAs are set up, their chairmen will serve on the ESRB and I suspect that in time it will become an important forum.

The Treasury Committee was unsure of the proper basis for the powers that will be delegated to the supervisory authorities. If they have powers to ensure compliance with EU law, that takes them to the very edge of European law. If the powers that are granted to them are new, they are outside the existing powers in the treaties, so the legal basis for those supervisory authorities is extremely tenuous. However, the powers that they are giving themselves are not tenuous—they are very clear. In articles 9, 10 and 11, the supervisory authorities will have direct power to give instructions or directions to individual financial institutions. In other words, the European banking authority could issue an instruction to Barclays bank in the UK, to HSBC, or even to the Royal Bank of Scotland, which is taxpayer-owned. An instruction may be received from the authority that would override other interests, including those of shareholders and taxpayers.

We need to be much clearer which directives the banking and other supervisory authorities are supervising. We were told in evidence to the Committee that various directives might have to be amended to enable the supervisory authorities to supervise the bodies concerned. Again, before we set up these authorities to supervise other bodies, we should be clear exactly what is being supervised.

There is also the issue of an emergency situation. It is wrong that the definition of what constitutes an emergency situation should be left to the Commission, of all people. Indeed, as the proposal is drafted, it would simply be for the Commission to decide that there are some "adverse developments" somewhere across the European Union. It can then declare an emergency situation, which triggers a series of new executive powers. That is not the Commission's job, nor is the Commission the right body to do this. The Commission does not have a balance sheet or a direct relationship with the European Central Bank, and it has no interest in protecting the interests of national taxpayers.

Mr. Cash: Does my hon. Friend agree that the European Commission, being the ultimate bureaucratic executive and the responsible body—these regulations are about regulatory arrangements and are the highest of legal instruments that must be implemented by member states—is

[Mr. Cash]

acting in a manner that will inevitably lead to a non-competitive environment, because the Commission itself is basically undemocratic? It is bureaucratic, and all the fears that my hon. Friend has expressed will come about because of the failure of the culture within the European Union to understand that that is the basis on which the Commission operates, and it should not be allowed to do so. The Government are seriously in error and should be condemned for allowing such a situation to come about.

Mr. Fallon: My hon. Friend makes his point, again, extremely powerfully.

I still think that the Commission is the wrong body for the task, and I am somewhat encouraged that in evidence to us, Lord Myners said:

"I cannot conceive of a situation in which the Commission would be the natural body to be able to formulate a view on what constituted an emergency situation."

Given that those are the words of the Financial Services Secretary in evidence to the Committee, I assume that that must be a red line for the Chancellor tomorrow. We need to remove any suggestion that the Commission should declare an emergency situation, and ensure that our interests are properly protected.

My final point is one that has been touched on by hon. Members on both sides of the House—the fiscal safeguard. In the conclusions of the European Council in June, the Council was emphatic, and the Prime Minister repeated the exact wording here in the House, that these arrangements

"should not impinge in any way on the fiscal responsibilities of Member States."—[*Official Report*, 23 June 2009; Vol. 494, c. 661.]

However, we now see in the drafts for all three authorities that if a member state feels that its fiscal responsibilities may be impinged by the powers that are exercised, under articles 10 or 11 it can appeal only to a majority vote of the Council. That is no safeguard at all, when the United Kingdom or another member state can be outvoted after a discussion as to what constitutes an impingement. That is not satisfactory.

We know that the proposal is not satisfactory because in its justification of the power, the Commission argues that the appeal power should be exercised sparingly. It may be that the Commission does not want any dispute to arise and hopes that such a dispute will never arise. It does not want the power of appeal to a majority vote to be exercised under normal circumstances.

The other great weakness of the fiscal safeguard is that it extends only to action under articles 10 and 11. It does not extend to article 21 powers, after a warning by the systemic risk board, which may follow from the declaration of an emergency situation by the Commission. All parties in the Select Committee were very clear, as has already been read out to the House, that the veto must be available and must be absolute. I appeal to the Minister to reassure the House that standing behind that veto and ensuring that we are not put in the position of relying on a majority vote will be one of the red lines in Brussels tomorrow.

I fear for the consequences of these proposals if they go through in anything like their current form. I see a recipe either for endless conflict between the new European supervisors and our own domestic supervisor, the Financial Services Authority, or for the Financial Services Authority to be treated simply as a consultative body—one of the parish councils of Europe, its opinion asked for and then ignored.

It is bad enough that, through the neglect of its European policy, we have ended up with the future regulation of the City of London now in the hands of a French Commissioner. That will be extended by these proposals so that we are in the hands not only of a French Commissioner, but of a band of supranational authorities. That will be very damaging to London, to the United Kingdom and to the European Union, of which London is such an important financial centre.

I am depressed by the attitude of the Minister and the Government. Throughout the evolution of these proposals, they have been silent, lackadaisical and complacent. The red lines have kept shifting. The Minister did not mention red lines today. She had to be challenged each time to get out of her what the red lines might be. It was an ill omen that the Government have conceded all three of the top economic jobs to non-British nationals. We need, above all, a Minister who will stand up for British interests in Brussels. If this Minister cannot and this Government will not, they should make way for somebody who will.

6.27 pm

Christopher Fraser (South-West Norfolk) (Con): It gives me great pleasure to speak after my hon. Friend the Member for Sevenoaks (Mr. Fallon), a person who has proved time and again that he understands the issues and is a wise and sage voice in this debate.

There is no question but that our financial institutions and the City are undergoing a difficult and challenging time, and there is no doubt that reform of our financial system is necessary. We need better and more effective oversight of the financial services sector, a banking system that properly supports small business, and recognition that the current tripartite system needs replacing. However, any changes made must not come at the expense of the City's competitiveness and ability to innovate.

Last month the World Economic Forum announced that the City of London had overtaken New York as the world's leading financial centre. That is excellent news. The City's long-term success will play a key role in boosting our economy at home and the wider European economy. Given that the Government have given away the vital role of Commissioner for the Internal Market and Services to France, as my hon. Friend pointed out, and to a politician who has a reputation for stringent protectionism, can the Minister tell the House what assessment has been made of the direct implications of this new appointment for the City of London? It is an extremely important point, which I hope the hon. Lady addresses when she winds up the debate shortly. Does she accept that future growth in this country could be undermined as a result? Why was not the Government's priority to ensure that that Commissioner's job came to the UK, for the reasons that I have just described?

The proposals before us seek to create three European supervisory authorities with rule-making and binding mediation powers: the European banking authority, the European insurance and occupational pensions authority

and the European securities and markets authority. The regulations also establish the European systemic risk board, which will allow for macro-prudential oversight of the financial system, but it is worth repeating some of the Treasury Committee's report, which was published earlier this month and has been referred to many times in this debate. It states:

"There is a great...unease about the detail. There is still more unease about the speed with which it is hoped to agree them... the proposals will set in place a framework which should last for many decades, and there should be proper time for consideration."

Does the Minister share the concerns of that Committee? If not, will she admit that the Government are placing the need for new systems of international regulation above the need for careful consideration and impact assessment? Does she envisage the proposals being approved by 2 December, which after all is only tomorrow, as the Swedish presidency has called for? I am not clear whether she suggested earlier that things will go through as planned or whether she was sitting on the fence, because she was not quite clear about what will actually happen. She has a valuable opportunity this evening to outline in more detail what she envisages happening at the discussions tomorrow.

I am sure I do not have to stress that putting forward without proper examination proposals that have far-reaching and serious consequences for the UK's financial sector could genuinely be detrimental to us here in the United Kingdom. I understand that the Government had hoped to secure a rotating chairmanship of the ESRB, but they failed to do so. Will the Minister elaborate on those negotiations? They are crucial to the way in which we consider the proposals before us.

Are the Government satisfied that the structural arrangements for the ESRB are in Britain's interest? From today's discussions, I am not so sure that there is a great consensus on that in the Chamber, and the Minister owes it to the House to be clear about that. The Treasury Committee's report also highlighted concerns about the size of the board. What is the Minister's assessment of the Committee's comments in that respect? Does she accept that with more than 60 institutions represented, the decision making of the ESRB will be neither effective nor efficient?

I have concerns about the capacity of the three European supervisory authorities to give binding technical standards to member states and, directly, to institutions in emergency circumstances. I should like to put to the Minister yet again the question that has been posed several times in the debate: can she be more specific about what will qualify as an emergency circumstance? What safeguards will be put in place to ensure that the powers of national regulators—this is the crucial part—are not undermined? Any decisions that have fiscal implications for the British taxpayer should, without a doubt, remain with national regulators, but it is unclear how that corresponds to the supervisory authority's ability to make binding decisions. I should very much like the Minister to clarify that point to me and to the House this evening.

Following that, there is a concern that the powers associated with the ESA might run contrary to what is allowed under current EU legislation, so what is being done to resolve those very reasonable concerns? The Minister will be aware that some hedge fund managers and other financial service professionals are moving offshore, to places such as New York and Switzerland, to avoid tighter EU regulations and heavier tax burdens. That has to be worrying news, and the Government must do all they can to ensure that private firms are given the proper incentives to operate in the United Kingdom, albeit ethically and responsibly. That must be taken into account when we consider how we operate from here on in, given what has gone on in the past.

What is the Minister's response to the news that some private firms are choosing to move out of the UK? That point has not been addressed in the debate, so I hope that she will spend a couple of minutes telling the House her view, because that move has wider implications for the financial centre in the City of London, for the companies dealing in hedge funds and for all the other organisations and companies that serve that industry. That move will have ramifications for employment prospects in the City and beyond as a result. Is she concerned that it will set a precedent, and that further regulation will exacerbate the problem?

I worry that reform of financial services regulation will harm the UK's financial services sector if it is undertaken without due care and, most importantly, consideration. We must ensure that our economic interests are fully protected and, importantly, upheld, but Ministers have been too slow to defend in Brussels the interests of the City. That was demonstrated neatly by the recent internal markets commissionership, as I have already described. I wait to see how the Government approach the redrafted directive on alternative investment fund managers, and I call on Ministers to ensure that any proposals enhance the UK's financial industry, rather than damage it in the way that my hon. Friend the Member for Sevenoaks described.

As I stated as the start of my speech, the City is the world's financial centre and the UK Government should lead and drive the debate about regulatory reform. So far, all the evidence points towards Ministers taking the back seat. That is the wrong way to go forward in the best interests of our nation and our standing on the world stage.

6.37 pm

Sarah McCarthy-Fry: I thank all hon. Members for their participation in this debate. There has been a theme, in that the hon. Members for Sevenoaks (Mr. Fallon) and for South-West Norfolk (Christopher Fraser), and others, said that they did not believe that the Government were engaged. I disagree and assure them that the Government have been, and continue to be, heavily engaged at official and ministerial levels. Indeed, over the past months UK officials have consulted on and discussed the key legislative proposals with numerous member states. Those meetings have informed others of our positions and enabled us better to understand our European partners' views. We have strong working relationships and regular dialogue throughout the EU.

On hedge funds, the alternative investment fund managers directive, which has been mentioned, is a key example of a situation in which the Commission's initial legislative proposal was unacceptable. As a result of significant work by officials and Ministers, however, we have seen considerable improvements to it, and my noble Friend Lord Myners has personally committed a substantial part of his time to achieving a good outcome for the UK on EU directives. He has had useful discussions

[Sarah McCarthy-Fry]

with many EU stakeholders, including Members of the European Parliament, the Swedish presidency and the incoming Spanish presidency.

Many hon. Members spoke about the timetable, and we were very clear that national Parliaments needed time to scrutinise the proposals. The Chancellor's view at the October ECOFIN meeting was that October was far too early to sign up to a general approach, but we always said that we would aim for agreement on the complete package by December, and that was included in the explanatory memorandum.

The timeline was set out at the June European Council. We hope that tomorrow, ECOFIN will agree on the general approach, which will then become the Council negotiating position through the European Parliament. The European Parliament, through its Committee on Economic and Monetary Affairs, will agree its negotiating position; the Council presidency, the Commission and the European Parliament will identify, if necessary, a compromise position; changes will be approved, or otherwise, by ECOFIN in the spring; and the European Parliament will vote on the agreement. That is the timetable.

The hon. Members for Fareham (Mr. Hoban) and for South-West Norfolk, and many others, spoke about last week's Commission appointments. I think that those decisions, and those taken by the European Council, are good for Britain, good for Europe and good for Britain in Europe. We have, in Baroness Ashton and her appointment as High Representative for Foreign Affairs and Security Policy, someone who gives Britain a powerful voice in the Commission and the Council, and she is the only commissioner to have a key role in the Council, too. As vice-president of the Commission, she will have a central and important role in driving progress across the full range of issues. She will be able to speak up on and have influence over all the issues, including those that matter most to the British public—economic recovery, security and tackling climate change.

On the appointment of Monsieur Barnier, it seems strange that some Frenchmen are wonderful and some are not. People are happy to quote Monsieur de Larosière but not so happy with Monsieur Barnier. I hope that hon. Members will note what he said in an interview on the radio yesterday:

> "I know the importance of the City. I know the importance of this major financial centre for growth in Britain and the economy of Europe as a whole."

Stuart Fraser, the chairman of the policy and resources committee of the City of London Corporation, has said:

> "I have every confidence that, together, we can forge a constructive working relationship."

We believe that in his hearings before the European Parliament, Monsieur Barnier will demonstrate his commitment to valuing and promoting the interests of the City of London as Europe's principal financial centre.

In addition, Britain will have a number of senior official posts in the new Commission. Monsieur Barnier has asked the President of the Commission, in the course of the next rotation of director general appointments, to appoint an official he knows well and has worked with before—Jonathan Faull. President Barroso has said that he intends to appoint a senior British official to lead work on economic and financial issues in his cabinet. We understand from Monsieur Barnier that there will be a senior Briton in his cabinet dealing with financial services, and that he will want someone who is known to the City.

Christopher Fraser: Will the Minister please answer my question about what assessment she has made of the implications of these new appointments for the City of London? It is all very well giving us the CVs of the different people involved and quotes from other people, but we in this House need to know the Government's view on the direct implications for the City.

Sarah McCarthy-Fry: I thought that that was what I was doing in quoting Monsieur Barnier when he said that he sees the importance of the City of London, not just to the UK but to the EU.

A couple of hon. Members said that the fiscal safeguard clause appears to be contradictory, because if this is covered in the legislation we should not need an opt-out clause. The whole point is that it should, in practice, never need to be used. It is clearly stated in the legislation that the ESAs are required to ensure that they do not impinge on member states' fiscal responsibilities, so that is not a problem.

Mr. Hoban: The Minister makes that assertion, but it is possible for the ESAs to override national supervisors to make decisions that impact on fiscal responsibility, and that member states then have to appeal against. Clearly the Government's red line is not being respected in this area.

Sarah McCarthy-Fry: The Government have a very clear red line in this area. Is the hon. Gentleman saying that the clause should not be there at all? We are very clear that the new framework should not impinge on member states' fiscal responsibilities.

Let me turn to the legal basis and respond to some of the detailed questions on that. On the delegation of powers to the ESAs, the Commission is, as the European Scrutiny Committee has recognised, legally able under the treaty to delegate powers to the new supervisory authorities where it had that power in the first place and where the decision-making powers delegated do not involve wide discretion. We are looking closely at the element whereby, under the current legislative proposal, the supervisory authorities appear to be able to exercise discretion. That is what we have to work through in respect of the legal basis. Clearly, the new framework must be able to withstand legal challenge.

Mr. Hoban: If tomorrow's ECOFIN does not reach an agreement that provides that legal clarity, is the Chancellor prepared to defer further discussion until its next meeting in the spring?

Sarah McCarthy-Fry: As I said, we are hoping to agree a general approach at ECOFIN. The process is ongoing, according to the timetable that I outlined. We are satisfied that article 95 of the EC treaty is an appropriate legal base for the new European supervisory authorities.

The hon. Member for Fareham asked whether the ESAs have the power to implement the ESRB recommendations on fiscal impacts. Those recommendations are an early warning system for action to protect financial stability that are addressed to member states, supervisory authorities and central banks. If there were a fiscal impact, such recommendations would not be addressed to ESAs but to member states themselves.

A question was asked about whether further discussions on proposals would be binding in relation to the European Council. Anything that is included in the final co-decided text will be binding. The text under discussion at ECOFIN is about the Council's position. If the European Parliament disagrees with something, an agreement on the exact wording will take place between the Council and the European Parliament, and at that point, it would be binding.

My hon. Friend the Member for South Derbyshire (Mr. Todd) and the hon. Member for Taunton (Mr. Browne) asked about the ESAs' decision-making process and whether we will have the same weight as other member states. We expect to exercise significant influence through the Financial Services Authority, because rule making is expected to take place under the weighted qualified majority voting procedure used in the European Council. That will ensure that the FSA has a substantial number of votes.

Mr. Todd: My hon. Friend carefully used the same word as Lord Myners in saying she "expects" that to be the case. What if that expectation is not met?

Sarah McCarthy-Fry: That is the same question that we have heard all evening. We are going into the negotiations tomorrow to deliver the best outcome for the UK, and for the UK within the EU.

The right hon. Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for Taunton asked about the appointment process. The FSA will have the UK seat on the ESA. The appointments of the secretary-general and the staffing secretariat will follow normal EU appointments procedure under the staffing regulations. The chairs of ESAs are voted for by the ESAs themselves from within their memberships. As with members of the European Commission, the appointment will be subject to confirmation by the European Parliament.

The hon. Member for Taunton asked about information sharing and confidentiality. The information-sharing provisions in the legislation are subject to strict confidentiality requirements. That has been standard practice since the establishment of the single market.

The hon. Member for Sevenoaks (Mr. Fallon) asked about representation from the non-eurozone on the ESRB. Of course we want representation from the non-eurozone. During the ECOFIN discussions in October, the Chancellor stressed the need to ensure an appropriate balance of eurozone and non-eurozone members. We are confident that that position will be reflected in the Council's discussions with the European Parliament and, as I said, any agreed wording will then be binding.

We strongly support moves to improve the quality and consistency of supervision to ensure more effective rule making and enforcement, and better to identify risks. We want to be part of an EU playing a greater leadership role in setting global standards and avoiding regulatory arbitrage. However, we need to ensure that day-to-day supervision and crisis management arrangements remain national. I value the contributions that hon. Members have made to the debate, and I am sure that the Chancellor will take note of them in his discussions at ECOFIN tomorrow. I think we all agree on the importance of maintaining our position that this framework must not impinge on member states' fiscal responsibilities, and that there should be no powers to undermine national supervision.

Question put.

The House proceeded to a Division.

Madam Deputy Speaker (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 256, Noes 188.

Division No. 6] **[6.48 pm**

AYES

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian

Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. John Heppell and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McCrea, Dr. William
McLoughlin, rh Mr. Patrick

Milton, Anne	Streeter, Mr. Gary
Moss, Mr. Malcolm	Stuart, Mr. Graham
Mulholland, Greg	Stunell, Andrew
Mundell, David	Swayne, Mr. Desmond
Murrison, Dr. Andrew	Swinson, Jo
Neill, Robert	Tapsell, Sir Peter
Newmark, Mr. Brooks	Taylor, David
Osborne, Mr. George	Taylor, Matthew
Ottaway, Richard	Taylor, Dr. Richard
Paice, Mr. James	Thurso, John
Paisley, rh Rev. Ian	Timpson, Mr. Edward
Paterson, Mr. Owen	Turner, Mr. Andrew
Pelling, Mr. Andrew	Vaizey, Mr. Edward
Penning, Mike	Vara, Mr. Shailesh
Prisk, Mr. Mark	Walker, Mr. Charles
Pritchard, Mark	Waterson, Mr. Nigel
Randall, Mr. John	Watkinson, Angela
Reid, Mr. Alan	Webb, Steve
Rennie, Willie	Weir, Mr. Mike
Robathan, Mr. Andrew	Whittingdale, Mr. John
Robertson, Angus	Widdecombe, rh Miss Ann
Robertson, Hugh	Wiggin, Bill
Rogerson, Dan	Willetts, Mr. David
Rowen, Paul	Williams, Hywel
Russell, Bob	Williams, Mark
Sanders, Mr. Adrian	Williams, Mr. Roger
Scott, Mr. Lee	Williams, Stephen
Selous, Andrew	Willis, Mr. Phil
Shapps, Grant	Willott, Jenny
Shepherd, Mr. Richard	Wilson, Mr. Rob
Simmonds, Mark	Wilson, Sammy
Simpson, Mr. Keith	Winterton, Ann
Smith, Chloe	Wishart, Pete
Smith, Sir Robert	Yeo, Mr. Tim
Spicer, Sir Michael	**Tellers for the Noes:**
Spink, Bob	**James Duddridge and Jeremy Wright**
Spring, Mr. Richard	

Question accordingly agreed to.

Resolved,

That this House takes note of the following European Union Documents—

(a) 13645/09, Proposal for a Council Decision entrusting the European Central Bank with concerning the functioning of the European Systemic Risk Board;

(b) 13648/09, Proposal for a regulation of the European Parliament and the Council on Community macro prudential oversight of the financial system and establishing a European Systemic Risk Board;

(c) 13652/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Banking Authority;

(d) 13653/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Insurance and Occupational Pensions Authority;

(e) 13654/09, Proposal for a Regulation of the European Parliament and of the Council establishing a European Securities and Markets Authority;

(f) 13656/09, Commission Staff Working Document–Possible amendments to Financial Services legislation–accompanying document to—

(i) 13652/09

(ii) 13653/09

(iii) 13654/09;

(g) 13657/09, Commission Staff Working Document–Impact Assessment–accompanying document to—

(i) 13645/09

(ii) 13648/09

(iii) 13652/09

(iv) 13653/09

(v) 13654/09;

(h) 13658/09, Commission Staff Working Document–Summary of the Impact Assessment; and

(i) 15093/09, Proposal for a Directive of the European Parliament and of the Council amending Directives 1998/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/BC in respect of the powers of the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority;

and endorses the Government's approach to setting up a new financial supervisory structure in the EU.

Business without Debate

CENSUS

Madam Deputy Speaker (Sylvia Heal): I must inform the House that Mr. Speaker has selected the amendment in the name of Dan Rogerson.

Motion made, and Question proposed,

That the words in item 1 'connection to the household or accommodation and whether or not an individual return has been issued for that person', item 2, the words in item 3(a) 'and the relationship to each of the previous persons named in the return,' the words in item 3(b) 'in the case of any person named seventh or at any higher number in a return' and 'and to any other person named at a previous number higher than six in the return', the words in item 4 'connection to the household or accommodation,' items 5, 8, 10, 12, 13, 14, 15, the words in item 16 'Whether the person describes themselves as: English, Welsh, Scottish, Northern Irish, British, or any other national identity (stating which)', items 20, 21, the words in item 22(b) 'on a Government sponsored training scheme', items 23, 24, the words in item 26(b) 'the mode of transport used for the longest part, by distance, of the usual journey to work', items 31, 32, 33, 35 and 36 of Schedule 2, and items 1, 2, 3, 4 and 5 of Schedule 3 to the draft Census (England and Wales) Order 2009, which was laid before this House on 21 October, in the previous Session of Parliament, be approved.—*(Mr. Blizzard.)*

Amendment proposed: (a), at end add

'subject to the following modification: in item 16 of Schedule 2, after the word 'Irish' insert ', Cornish'.'—*(Dan Rogerson.)*

Question put forthwith (Order, 23 November), That the amendment be made.

The House divided: Ayes 49, Noes 261.

Division No. 7] **[7.4 pm**

AYES

Alexander, Danny	Hughes, Simon
Beith, rh Sir Alan	Huhne, Chris
Brooke, Annette	Keetch, Mr. Paul
Browne, Mr. Jeremy	Lamb, Norman
Bruce, rh Malcolm	Laws, Mr. David
Burt, Lorely	Mackinlay, Andrew
Cable, Dr. Vincent	Moore, Mr. Michael
Campbell, rh Sir Menzies	Mulholland, Greg
Carmichael, Mr. Alistair	Pelling, Mr. Andrew
Corbyn, Jeremy	Reid, Mr. Alan
Davies, Mr. Dai	Rennie, Willie
Farron, Tim	Rogerson, Dan
Featherstone, Lynne	Rowen, Paul
Foster, Mr. Don	Russell, Bob
George, Andrew	Sanders, Mr. Adrian
Gidley, Sandra	Smith, Sir Robert
Goldsworthy, Julia	Spink, Bob
Harvey, Nick	Stunell, Andrew
Heath, Mr. David	Swinson, Jo
Hemming, John	Taylor, Matthew
Horwood, Martin	Thurso, John
Howarth, David	Webb, Steve

Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil

Tellers for the Ayes:
Jenny Willott and
Mr. John Leech

NOES

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Gregory
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McCrea, Dr. William
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. John Heppell and
Mr. Dave Watts

Question accordingly negatived.

Main Question put forthwith (Order, 23 November).

The House divided: Ayes 298, Noes 127.

Division No. 8] **[7.16 pm**

AYES

Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Atkins, Charlotte
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don

Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Watts, Lynda
Watson, Mr. Tom
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. John Heppell and
Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Priak, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shephard, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Spicer, Sir Michael
Spink, Bob
Stewart, Mr. Gary
Swayne, Mr. Desmond
Tapsell, Sir Peter
Timpson, Mr. Edward
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Yeo, Mr. Tim

Tellers for the Noes:
Jeremy Wright and
James Duddridge

Question accordingly agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

European Communities

That the draft European Communities (Definition of Treaties) (Stabilisation and Association Agreement) (Republic of Montenegro) Order 2009, which was laid before this House on 21 October, in the previous Session of Parliament, be approved. —*(Mr. Blizzard.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Legal Services Commission

That the draft Criminal Defence Service (Representation Orders) (Amendment) Regulations 2009, which were laid before this House on 28 October, in the previous Session of Parliament, be approved.—*(Mr. Blizzard.)*

The House divided: Ayes 252, Noes 41.

Division No. 9] **[7.28 pm**

AYES

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Gregory
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit

Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Killeya, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Macleggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McCrea, Dr. William
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
Mcleasc, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Sailer, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Walley, Joan
Watts, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Woodes, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and
Mr. John Heppell

NOES

Alexander, Danny
Baith, rh Sir Alan
Brooke, Annette
Burt, Lorely
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Harvey, Nick
Heath, Mr. David
Hemming, John
Horwood, Martin
Howarth, David
Hulme, Chris
Kwiatkowski, Mr. Paul
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Moore, Mr. Michael
Mulholland, Greg
Pelling, Mr. Andrew
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil

Tellers for the Noes:
Dan Rogerson and
Jenny Willott

Question accordingly agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

LEGAL SERVICES COMMISSION

That the draft Criminal Defence Service (Contribution Orders) Regulations 2009, which were laid before this House on 28 October, in the previous Session of Parliament, be approved.—*(Mr. Blizzard.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

That the draft Criminal Defence Service (Representation Orders Appeals etc.) (Amendment) Regulations 2009, which were laid before this House on 28 October, in the previous Session of Parliament, be approved.—*(Mr. Blizzard.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

INTERNATIONAL CLIMATE FINANCE

That this House takes note of European Union Document No. 13883/09 and Addendum 1, Commission Communication on Stepping up International Climate Finance, a European Blueprint for the Copenhagen Deal, and believes that the Commission's views therein provided a basis for the discussion between the Government and other Member States which resulted in European Union Document No. 15285/09, Presidency Conclusions of the Brussels European Council (30 October 2009), in advance of the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change in Copenhagen in December 2009.—*(Mr. Blizzard.)*

Question agreed to.

Fisheries

7.40 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies) *rose—[Interruption.]*

Madam Deputy Speaker (Sylvia Hoad): Order. Will hon. Members who are not staying for this debate please leave the Chamber quickly and quietly?

Huw Irranca-Davies: I beg to move,

That this House has considered the matter of fisheries.

I am pleased to begin this debate. It seems amazing that a year has flown by since the last annual fisheries debate, although we have had many occasions in the intervening period to debate marine and fisheries matters. Although the year has flown by, in the past 40 minutes or so I wondered whether we would get to this debate, but I am pleased that we are here now.

This is the second fisheries debate in which I have spoken. It gives me the opportunity to report progress in the past year, which has been quite a significant year. Common fisheries policy reform is well under way, with the Government leading from the front, and we have worked on IUU—illegal, unreported and unregulated—fisheries and international governance. We also got the Marine and Coastal Access Act 2009 on to the statute book last month. We are the first country in the world to have a single piece of legislation to protect and manage our seas. This debate is also timely, as it always is, in that it allows me to hear the views of the House before the December European Fisheries Council and to look forward to next year.

However, at the outset I would like to pay tribute—as we always do, and quite rightly—to our fishermen, who face dangers at sea every day, every month and every year to catch the fish that so many of us enjoy eating. I am very sad to report to the House that over the past year 12 fishermen have lost their lives. I know that the House will wish to join me in expressing our sincere condolences to the families and friends who suffered those tragic losses.

Let me begin with the meat of the debate by giving the usual update on the fishing sector's contribution to the economy. As hon. Members will know, the industry has faced catch restrictions to protect fish stocks. Since 2007, UK landings of fish have declined by 4 per cent., with falling catches of mackerel and herring. However, landings of shellfish have increased by 3 per cent. The total value of landings of fish from UK vessels in 2008 was £629 million, a decrease of 2 per cent. from 2007. Although the value of demersal fish was largely the same, prices for shellfish landings showed slight decreases, particularly, as hon. Members in the areas concerned will know, those for nephrops, a key shellfish species for the UK fleet.

Exports of fish and fish products had a value of just over £1 billion in 2008, an increase of 3 per cent. since 2007. The industry—a huge employer in this country, along with its associated ancillary industries—provided employment for 12,761 fishermen in 2008. As we all know, the industry also contributes to the local economies and the culture of coastal communities, which is especially important in these times of economic difficulty. It would

be remiss of me not to mention also the contribution of sea angling, which is popular in our island nation and makes a significant contribution to the UK economy.

Over the past year we have been working on many fronts towards a single goal of achieving sustainable fisheries. That has been very much in the news, as hon. Members will know, with the film "The End of the Line" arousing great interest among the press and public alike and causing much debate. Sustainable fisheries are hugely important for our food security. Across Europe, two thirds of the fish that we eat and up to 90 per cent. of white fish are caught outside EU waters. Over-exploitation, illegal fishing and conflicting demands on the marine environment all impact on fisheries' contribution to our food security. That is why we need to look at what we do not only in the domestic arena and the EU, but internationally.

Mr. Mike Weir (Angus) (SNP): One of the international issues relates to concerns raised by the Scottish Fishermen's Federation about this year's annual negotiations prior to the European Fisheries Council, and in particular about the catch that the Icelandic fleet wishes to secure and the attitude of the Norwegians, which it says is causing delay in those negotiations. Can the Minister tell us anything about that?

Huw Irranca-Davies: Indeed I can. It is a live issue, as I am sure the hon. Gentleman is aware. In fact, I met fishermen this morning and discussed that very issue, among others. Officials and I were in touch with fisheries leaders throughout the weekend, and we continue to be so. It is unfortunate that this year's discussions between the EU and Norway and other non-EU states are more difficult than normal, for reasons that I suspect the hon. Gentleman is aware of, albeit for the right reasons as well. Where we need to take enforcement action on fishing vessels within and outside the EU, it is right that we should do so, but that aspect has perhaps coloured this year's discussions.

We are actively engaged in those discussions. We want to see a positive outcome, but we remain in live discussion with industry leaders and skippers as they go forward. I pay tribute not only to those stakeholders and the industry, which are engaged in that process as we speak, but to officials from the Department for Environment, Food and Rural Affairs, Marine Scotland, Northern Ireland and Wales, who are also out there fighting the good fight. However, it is difficult this year.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): On the subject of the EU-Norway talks, I suspect that one of the sticking points will be the allocation of mackerel quotas. For Scottish fishermen, and Shetland fishermen in particular, that is an absolute red line. Whatever difficulties the Minister encounters, will he please understand that, for the health of that important pelagic sector, compromise could be unhelpful to say the least?

Huw Irranca-Davies: I understand fully the point that the hon. Gentleman quite rightly makes. I am pleased to inform him not only that we are in ongoing discussions trying to hold that line, but we have written in a similar tone to the commissioner.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Will the Minister assure the House that Scottish mackerel will in no way be used as a bargaining chip with Norway for any other fish species?

Huw Irranca-Davies: As I said in my previous answer, that is exactly our position. However, the EU-Norway talks this year and the December negotiations in the EU Council are more difficult than ever. All I would ask from the hon. Gentleman is an element of faith—

Mr. Geoffrey Cox (Torridge and West Devon) (Con): And common sense.

Huw Irranca-Davies: Indeed, and some good sense. We are playing the hand of cards that we have been dealt. We have the red lines that I have indicated and we have written to the Commission. That is the basis of our negotiations, but it is also the basis of the parallel discussions that Marine Scotland and so on are having, so we are arguing exactly the same point as the hon. Gentleman's Scottish National party colleagues in the Scottish Executive. I have to say that things are extremely difficult. However, the undertaking that I would make to him is the same as the undertaking that we have made to the fleet, which is that we will keep a frank dialogue going as the process goes forward. I do not know what the outcome will be, but that is our position.

Bob Spink (Castle Point) (Ind): I thank the Minister for being characteristically generous with his time. Can he tell us what progress he has made with the EU in discussing the dumping of fish? Dumping is an obscenity that affects all sectors of British waters and is something that we need to stop.

Huw Irranca-Davies: I will return to that point in a moment as part of my substantive remarks. However, one thing that we are agreed on across the UK and all the devolved Administrations is that we do not have to wait for common fisheries policy reform to make movements on discards. There are things that we can do right now. Last October—I think it was October, although time does fly—we signed the Aalborg agreement with colleagues in Germany and Denmark. Under that agreement we agreed to pilot the use of CCTV cameras on boats to monitor what is landed in the nets and to try to uphold the principle of landing more fish and killing less, thereby avoiding discards. I would also say that part of our strength and our credibility with the EU is what we have done in the last few years on real-time avoidance of spawning grounds, on the conservation credit scheme in Scotland, on avoiding juvenile stocks and so forth. There is a lot we can do now, but fundamentally—I shall return to this in a few moments—this is an issue requiring extremely radical CFP reform.

Several hon. Members *rose*—

Huw Irranca-Davies: If Members will allow me, I will make a little progress, as there are many participants, as always in fisheries debates, and I am sure that many want to speak.

I was talking about international fisheries and food security. The Food and Agriculture Organisation estimates that half the world's fish stocks are already fully exploited and at risk of disappearing altogether. A report by the World Bank, to which I often pay regard, has estimated that at least $50 billion dollars of wealth are lost because

[Huw Irranca-Davies]

of poor governance of the world's fisheries. There is a note of optimism as well, which is the flipside of that report, in that if we can improve the governance and management of fisheries, we can actually harvest more and also protect the marine environment.

To increase our food security, we are working to improve fisheries governance globally, building awareness of the benefits of well managed fisheries. Over the next three days I am visiting Ghana, partly to deal with forestry, partly to increase the Government's lobbying for Copenhagen, but partly on account of the governance of fisheries. Enabling consumers to recognise that their fish comes from well managed stocks is part of ensuring food security. Supermarkets are increasingly sourcing their fish from sustainable stocks, and initiatives such as the Marine Stewardship Council's "blue tick" labelling scheme are a step in the right direction to help consumers to make sustainable choices. We also have to make sure that our own fisheries are sustainable.

I was pleased that the House found time to debate the reform of the common fisheries policy on 27 October. I have made it clear that I want the UK to lead the reform of the CFP and I will just quickly recap where we are, as this is crucial. At the European Council of Fisheries Ministers in May, I set out the UK vision for future sustainable fisheries, which places ecologically sustainable fisheries at the heart of reform.

In September, we published a discussion paper on CFP reform setting out four key priorities. These are fish populations within safe biological limits; a prosperous and efficient fishing industry; recognition of the valuable contribution that fishing makes to local communities; and fisheries management integrated with management and conservation of marine resources. For too long, fisheries issues have been dealt with in a silo, which is to their detriment, as we have seen over recent decades, and to that of the marine environment as well. These issues need to be mainstream and part and parcel of cross-government thinking within the UK and of cross-departmental thinking within the EU.

With the help of the Marine and Fisheries Agency, we have held meetings around the coast—I say that, but they were also in Edinburgh—to hear local views on CFP reform. Last week, I discussed with colleagues in the devolved Administrations and a wide range of stakeholders the feedback on the discussion paper and the challenges to be addressed. This is helping us to ensure that when the UK responds to the European Commission's Green Paper on reform of the CFP later this month, we are recommending radical but realistic reform. This will include people in the fishing industry themselves taking more responsibility for implementing the CFP; more long-term management to reduce uncertainty for fishermen—too often, we hear fishermen saying that they cannot plan a month, let alone a year or five years ahead when they go to their bank manager; ensuring decisions are based on sound science; and reducing, or wherever possible eliminating, wasteful discards.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): What indications does the Minister have from other member states, particularly Spain, that they will support his laudable and sensible aims?

Huw Irranca-Davies: I compliment the hon. Gentleman on his contributions to our previous debate on the common fisheries policy. Several significant states appear to be like-minded and as keen as we are to have radical reform. I have to say that several have different ideas on the way forward, but I believe there is a sufficient body of member nations that are of a similar disposition to ours on the core components of CFP reform. I am hopeful. I know I said it in our other recent debate, but it is not a question of waiting until 2011 and then mulling over what the Commission has brought forward following co-decision and so forth, as it is the next couple of months that are going to be crucial. We have the wind in our sails on this.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The Minister mentioned co-decision, but it rather seemed as if the Commission was doing its best to bypass co-decision and move before it could become a reality, when the direction we need to move in is one in which fishermen's organisations play as full and constructive a part in regional management as they want to, because they are the best people to do it.

Huw Irranca-Davies: The right hon. Gentleman raises another aspect of co-decision that I have touched on—trying to find a way, and we think there are ways, of devolving real responsibility where the buck stops. The buck does not stop only in terms of fisheries management, because it stops with fisheries and marine management, involving those people who I have consistently argued will be the best for long-term management of that marine environment, namely fishermen themselves. I think that there is a real appetite for this.

We recently had a two-day session at the Inter-RAC conference, when the regional advisory councils were brought together in Edinburgh a month ago, and there was almost unanimity on this issue. That meeting, and others, have been attended by officials from the Commission as well, who have spoken about the legal difficulties but with some optimism that it could be done. It is now down to us, with the support of the industry and people with ideas and models, to advance those ideas rapidly. That is what we are set on doing.

One issue I am concerned about, as I said last year, is that of small coastal communities around the UK. I understand the value of fishing to these small, often remote, coastal communities: it is more than simply fisheries and the economy; it is their way of life, their livelihood and also a huge issue for their cultural heritage. It is also part of the UK's heritage as an entity. We need to find ways of supporting vulnerable communities that depend on fishing.

One of my priorities this last year, in difficult times, has been putting the inshore fleet on to a more sustainable footing, which has not been without difficulty. We have decommissioned 65 vessels. On the back of that decommissioning, which was linked to licence capping—not without controversy—we have directly released quota back into the under-10 metre pool. We introduced the licence capping scheme to keep fishing for quota stocks at current levels.

We have also set up the SAIF—sustainable access to inshore fisheries—project through close working between DEFRA and stakeholders in fisheries management, the fishing industry and fishing communities. This is not

driven purely by fishermen themselves; our argument with SAIF was always on the basis that the issue of fisheries needs to be integrated into regional development, better marketing and extending the line of production so that it is not simply a matter of extracting the raw materials but receiving the end-benefit as well. All that is relevant to the SAIF project. There is an advisory group, which has done some excellent work, bringing together expertise from the fishing industry and beyond to help to drive this work forward.

We are also using the European Fisheries Fund to help our fishing industry to secure a sustainable and profitable future. In 2009, we have offered grants totalling £43 million across the UK for projects ranging from major harbour improvements in North Shields and extra safety gear above the legal requirements for individual boats to Marine Stewardship Council accreditation.

One pan-UK project that I know Members will be interested to hear about is the Royal National Lifeboat Institution man overboard safety system, which enables the RNLI to track vessels and alert their monitoring system if there are difficulties. That could be crucial and I remind hon. Members that I opened the debate with the issue of lives lost at sea. This sort of innovation is something that could really help in the future. The system also includes personal safety devices that alert the skipper if a crew member goes overboard. The system has already saved lives at sea and we hope that on the back of that investment, as many as 1,500 units will be in use by the end of 2011.

Mr. Carmichael: We are discussing a matter that probably affects every fishing community. I declare an interest as a member of the RNLI national council. Does the Minister agree that, regardless of the number of initiatives, the real challenge is to convey the message to the industry? No matter how many devices there are in the market, if they are not used by the industry they will be of no use to anyone.

Huw Irranca-Davies: The hon. Gentleman is right. I think that the work being done on the ground and—let me give credit where it is due—through august publications such as *Fishing News*, which seems to run stories about these devices every other week, is very necessary. Members of Parliament can also play their part by hammering the message home when they are out speaking on the portside. It is gaining attention, but there is much more to be done if we are to make a real difference.

Andrew George (St. Ives) (LD): The Minister mentioned the SAIF project and, in particular, the impact of certain regulations on the vulnerability of the inshore fleet and coastal communities. Can he reassure us that special areas of conservation will be imposed by Natural England in a constructive manner, and that Natural England and the industry will ensure that not just the marine environment but the viability of fishing communities is protected?

Huw Irranca-Davies: Special areas of conservation and special protection areas are designated through the European marine habitats directive. Socio-economics are not a factor, and in that regard this debate differs from our debate on marine conservation zones. I am pleased to say, however, that before the proposals were submitted for consultation they were subjected to a period of pre-consultation discussion with fisheries leaders to ensure that there were no unnecessary distractions or scare stories. Projects such as this may occasionally displace certain activities, and we need to work with the fisheries industry to ensure that that is recognised. Natural England is very aware of that, as is the Joint Nature Conservation Committee.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Let me add to the tribute that is always paid on occasions such as this to those in the RNLI who put their lives at risk on behalf of our fishing communities and so many others, year in, year out. Like, I am sure, many other Members, I joined a local lifeboat crew on a training mission, and it was a real eye-opener: it made me aware of the dangers that those crews must confront.

The Minister has spoken of the sustainability of smaller fishing communities. I represent many such communities in Berwickshire. Does the Minister accept that, as well as wishing to unite the fishing and marine environments, we must not lose sight of the need for financial sustainability for those communities? I know that—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman has been making an exceptionally long intervention, and I am sure the Minister is now able to answer it.

I warn Members that Back-Bench speeches will have to be limited to eight minutes, because time is running out and a great many Members wish to speak. Although interventions add to the debate, Members who wish to catch my eye later are now intervening, and there is something not quite right about that.

Huw Irranca-Davies: In view of what you have said, Mr. Deputy Speaker, I shall try to cut my remaining remarks short. However, I want to deal with the point made by the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) about the sustainability of communities and the fleets that are part of those communities, because it is relevant to a vital part of the debate.

As we implement common fisheries policy reform, we need to engage in a frank discussion throughout the devolved areas about how we can deliver a prosperous future—let us scrap the word "sustainable" for the moment—for widely variegated coastal communities that have different types of vessels and experience different aspects of isolation and remoteness. I think that part of the solution is not protectionism per se, but the willingness of Ministers to stand up and say how vessels and fisheries can be made more profitable, how they can produce better harvests, and how fishermen can own production from the point at which the fish are landed to the point of marketing.

I have used this analogy before, and I am sorry that it comes from my own back yard, but we should bear in mind what has been achieved in the marketing of Welsh lamb. Ten years ago, Welsh lamb producers were producing only cheap carcases from the top of the Welsh hills. Now they represent one of our biggest success stories. They have taken command of the line of supply all the way to the supermarket in a co-operative manner, and

[Huw Irranca-Davies]

have added value. Some of the fisheries in the constituencies of the hon. Gentleman and others are high-quality mixed fisheries which should not be selling at bog-standard prices—not that there is such a thing—to whoever comes in. There should be a much cleverer way of owning the profits resulting from that supply chain.

As you have said, Mr. Deputy Speaker, many other Members wish to speak. Let me do what I said I would do, and deal with some of the other aspects rapidly. I mentioned illegal fishing earlier. I am pleased to say that we have taken a leading role on that, and are making good progress. A European Union regulation that will come into force next month introduces new rules on imports and exports of fish and fish products to and from the EU, making it more difficult for illegally caught fish to enter the EU from non-EU countries. We have been working closely not just with importers and exporters but with nations that will be affected, including developing countries. We are trying to work with those countries to encourage them to engage in better governance and to tackle illegal and unregulated fisheries so that they can take advantage of entry to the European market.

The UK is also leading the way in protecting commercially fished species. Action is needed urgently if bluefin tuna is to be commercially sustainable. We have publicly supported Monaco's proposal to give this species the highest protection possible under the convention on international trade in endangered species. As a result of the international pressure, and with the strong support of the United Kingdom, the International Commission for the Conservation of Atlantic Tunas demonstrated at its annual meeting its willingness to take tougher measures to protect bluefin tuna. However, we shall keep a close watch on whether the measures are implemented quickly enough to conserve this iconic species.

We have been working hard to protect sharks, skates and rays, which are in serious decline. We ensured that the Council's conclusions on the European Commission's shark plan of action, agreed in April, were strong, clear and robust. We are proceeding with work under this plan of action ourselves, funding scientific research that will help us to protect and manage those threatened stocks. The UK has made a bold decision to increase the protection offered to sharks by banning the removal of shark fins at sea by UK-registered fishing vessels. Any sharks caught by UK vessels will now have to be landed with their fins attached to their bodies, so there is now no risk of wasteful shark finning.

The UK is also dealing with the incidental catch of seabirds in fisheries operations. Every year many seabirds die unnecessarily, and that is seriously affecting some seabird populations. Internationally, we are working through the Agreement on the Conservation of Albatrosses and Petrels, and we are putting pressure on regional fisheries management organisations to reduce by-catch. We are playing a leading role in championing seabird protection in Europe by challenging the European Commission at the November Council meeting to introduce an EU seabird plan of action.

A major theme of our work is integrating fishing with other marine activities. I have mentioned the Marine and Coastal Access Act 2009, with which Members will be very familiar; I thank them for their support in putting it on the statute book. It establishes a new system of marine planning. Along with the devolved Administrations, we have published high-level marine objectives to which we have all agreed, and which will feed into the marine policy statement that we are developing to guide the marine planning process under the Act. For the first time, we will be planning all the activities in the our seas in a properly integrated way.

The Act introduces better licensing for marine developments, and the conservation of marine biodiversity through marine conservation zones. Natural England and the Joint Nature Conservation Committee have set up four regional projects, which are doing extremely well. The conservation zones will help us to deliver our commitments under the European Commission's marine strategy framework directive, which requires us to achieve "good environmental status" for our seas by 2020.

The Act also creates the Marine Management Organisation, which will be the Government's delivery body in English waters and UK offshore waters. I have appointed the chairman-designate, and staff from the Marine and Fisheries Agency, which is being subsumed into the Marine Management Organisation, are already moving to Newcastle-upon-Tyne in preparation for the vesting of the organisation in April. In order to put this to rest, I want to put it clearly on the record that, contrary to speculation in the regional press, we have measures in place to ensure that levels of service are maintained during the transition. The MFA is currently recruiting new members of staff for its headquarters, to replace those who are not relocating. The first two groups of new recruits have already completed training in London and are now working in Newcastle. More new staff will begin work over the coming months, complementing the experienced staff in the 18 offices—which we often forget about—all around the UK coast. So it will be business as usual.

At the local level, inshore fisheries and conservation authorities will ensure that we have an integrated approach to our marine resources. They will replace sea fisheries committees, and they will modernise inshore fisheries management in England. They must seek to balance the social and economic benefits of exploiting the sea fisheries resources of their districts with the need to protect the marine environment from, or promote its recovery from, the effects of such exploitation. They will draw on local knowledge to solve local problems through local decision making. Following consultation, I have decided that there will be 10 inshore fisheries and conservation districts. Last month, we brought together members and staff of the sea fisheries committees to discuss how the new authorities can best respond to their new duties, using the achievements of the sea fisheries committees as their springboard.

Having sprinted through my speech in order to leave time for other contributions, I hope Members will agree that over the last year we have made significant progress towards achieving sustainable fisheries and integrating fishing with other marine activities. We have moved forward in protecting our marine environment, and progress on common fisheries policy reform and other initiatives are good news for fish stocks and fishermen. Although there will be difficult choices in the coming year, we have firm foundations on which to build. I look forward to hearing the views of Members.

8.12 pm

Mr. Richard Benyon (Newbury) (Con): It is a great pleasure to speak in my first fisheries debate as the spokesman for my party.

I welcome this important debate, and the opportunity to turn our full attention to the serious issues that face our fishing industry and the health of our seas. With the December European Union Fisheries Council and its negotiations for the 2010 quota allocation fast approaching, this debate is most timely. Today, the Fisheries Committee of the European Parliament met, and on 14 and 15 December the Minister and others will be taking part in the Fisheries Council. It is also good to see so many Members present with interests in coastal Britain, the fishing industry and related matters such as angling, which is an extremely important activity for so many people.

Mr. Andrew Turner (Isle of Wight) (Con): Does my hon. Friend agree that tourist destinations such as the Isle of Wight could benefit from some joined-up thinking in respect of commercial fisheries and policies that affect sea angling?

Mr. Benyon: My hon. Friend is absolutely right. It is clear to me from my visits around coastal Britain that we can learn a lot from other countries, where activities such as recreational angling, which I am sure we will hear a lot about in this debate, are integrated much more with tourism. In Ireland, for example, on the approach roads to coastal ports there are signs advertising not only hotels but boat hire, tackle shops and so forth. The industry there is much more integrated. This also has an impact on the fishing industry, in which so many people are involved. We can learn a lot, and we can do a lot to try to make these industries more integrated.

This year more than ever we are debating fisheries during uncertain times for the UK fishing industry. At present, the UK pelagic fleet is facing uncertainty as international negotiations over mackerel with the EU, Norway and the Faeroes continue to drag on, while the white fish sector continues to be squeezed by reduced quotas and days at sea. Moreover, the implementation of marine conservation zones, and the formation of the Marine Management Organisation and the new inshore fisheries and conservation authorities, is under way.

Before I continue, I would like to take this opportunity to join the Minister in paying tribute to our fishermen, who do a very dangerous and increasingly difficult job catching the fish that end up on our plates. In the last 12 years, 120 UK fishermen have died at sea—51 in the under-10 metre sector and 69 in the over-10 metre fleets. Fishing remains one of the most dangerous jobs, and while we talk on a political level in this debate, it is important that we remember that the realities at sea affect not only livelihoods and communities, but the lives of thousands of people. I am also indebted to many fishermen and others in coastal communities for the time they spent with me as I travelled around coastal Britain seeking solutions from those who live and breathe the issues we are discussing. I also wish to pay tribute to my hon. Friend the Member for Leominster (Bill Wiggin), who did a lot when holding the post I now occupy. He is a hard act to follow.

The most recent figures show that there are some 12,761 fishermen in the UK. About 80 per cent. of them are regular and the remainder are part-time. The total number of fishermen is down by a third since 1997, with the catching industry in the UK landing about £645 million-worth of catches, which can result in £800 million to £1.2 billion-worth of economic activity. Behind every fisherman and vessel there is a fishing community, with about five onshore jobs—down from 10—for every fisherman. While much of today's debate will relate to fishermen, we must remember the shore-based jobs as well.

In the past, this annual debate has been limited in scope. We should remind ourselves that the health of our seas is a national concern. I think many of us who were involved in the passage of the Marine and Coastal Access Act 2009 were taken aback by the amount of organisations and ordinary people who lobbied us on that Bill. The Co-op's customer polling showed that a vast number of people across the land—not just in coastal Britain—are now taking an active interest in the health of our seas. If we add the 1.3 million sea anglers, we realise how important a national issue this is.

Consumers have a key role to play in the future of our fisheries. Through the choices they make in supermarkets, they can support innovative schemes such as the Marine Stewardship Council accreditation scheme, which has genuine potential to help achieve a sustainable future for our fisheries.

UK household consumption of fish continues to increase. The amount of money spent on fish by consumers jumped from £1.96 billion to £2.57 billion between 1996 and 2005, so this issue has an impact on our food security as well as our economic security. However, while the consumer demand for fish rises, it is no secret that the UK's fisheries are struggling. Dwindling fish stocks and a patchy understanding of the overall state of stocks, overcapacity, wasteful discarding, mismanagement of quota, top-down micro-management, and a common fisheries policy that even Commissioner Joe Borg has described as

"inefficient, expensive and too complex"

have all served to deepen the woes of UK fisheries and the industry they support.

Of course, when debating the future of our fisheries, we cannot simply look at the industry. A more holistic approach must be adopted that takes into account the fact that fisheries play a vital environmental, as well as recreational, role, with UK waters housing 50 per cent. of total UK biodiversity, and recreational sea anglers contributing £538 million to the economy and supporting 19,000 jobs.

Bob Spink: The hon. Gentleman will be aware that three years ago the Conservative policy was to get out of the common fisheries policy because it is so disastrous, but a U-turn was performed by his current leader. Is his leader minded to do another U-turn and actually help the fishing community by getting out of the CFP?

Mr. Benyon: I am not going to waste my breath going down this long avenue of discussion, as we can address it on another occasion and we are currently talking about the fishing industry. If I ever find myself in the lucky position of holding the office the Minister present occupies, I will put all my energies into pushing at what

[Mr. Benyon]

I believe is an open door in Europe, in the light of the green paper that the European Commission recently published. I will talk about that shortly.

I look forward to the day when Parliament can debate fisheries in a positive and upbeat fashion, rather than approaching the industry as one that seems, usually through no fault of its own, to lurch from one crisis to another. How much better it would be to take this opportunity to applaud the industry for sustainably harvesting the seas in a way that contributes to a healthy product that is much needed for our food security and our national well-being. That is a future to which we can all aspire.

I wish to speak about not only the industry but the marine environment. I am of the opinion that those two strands are not at odds: they are two sides of the same coin, with fishermen playing a fundamentally important role in the achievement of a sustainable future for UK fisheries. As I have travelled around fishing communities, I have been struck by how many fishermen are the sons and grandsons of fishermen, and by how many want their sons and grandsons, in turn, to go into the business. The concept of stewardship is alive and well in coastal communities, and we in Parliament must do all we can to support it.

I cannot help but feel that the use of a sweeping term such as "the UK fishing industry" is misleading in some way. The UK fishing industry houses a diverse range of interests that could not be more different in the way they operate and even in the species they fish for. The UK is home to a diverse and varied fishing community, ranging from recreational sea anglers and small independently owned inshore vessels to large commercial vessels backed by producer organisations. The industry is home to the inshore, offshore, under-10 metre and over-10 metre fleets, as well as the trawlers, pole and line vessels and producer organisations. More diversity could not be housed in one industry. One of the most useful statistics I have been given is that 51 per cent. of the UK catch is landed in three ports, which means that 49 per cent. is landed in 280 ports. I want to make sure that those 280 ports remain viable, and that the people who support the fishing industry in those communities can have an industry of which they can be proud.

Mr. Weir: I am very interested in what the hon. Gentleman is saying. Does he agree that fishermen need to be consulted on changes in the marine environment, particularly in respect of offshore renewables, about which many fishermen in my constituency have serious concerns? I have put them in touch with the developers and their concerns are being addressed, but it is important that fishermen feel part of that negotiation and do not have things imposed upon them.

Mr. Benyon: I understand entirely what the hon. Gentleman is saying. I have not given the Scottish marine Bill the same detailed examination that I gave our marine Bill, for obvious reasons, but I can say that the concept of marine spatial planning—although that term is ghastly, it is important—was vital in the English Bill. Fishermen should be involved in that decision right from the start. There is much in terms of marine conservation and marine renewables that can work together if things are done in the right way.

Unfortunately, it is not just our use of language that has failed to reflect the diversity I was just discussing. More worryingly, the approach taken to the management of our fisheries has, to date, failed to take into account the diverse range of interests and issues confronting us. A micro-managed approach to fisheries has meant that for too long we have been trying to push square blocks into round holes, forcing the whole industry to conform to over-centralised regulation without taking into account the difference among its constituent parts. As a result, fishermen are struggling to survive in some areas, whereas there is latent capacity in others; and there are shockingly high rates of discard of certain species of fish and dwindling stocks of others, as well as disproportionate allocations of quota between sectors.

Mr. Gary Streeter (South-West Devon) (Con): On discarding, is my hon. Friend aware of a voluntary trial in the west country by south-west trawlermen? They are experimenting with increased mesh sizes and changing their gear to try to reduce the number of unwanted fish that are caught, and early reports indicate that there has been a 60 per cent. reduction in discards. Is that not the sort of bottom-up, voluntary approach we should be encouraging?

Mr. Benyon: I am grateful to my hon. Friend for his intervention, because that is precisely the point I am coming on to make. The Minister touched on this issue, but I believe that much more can be done to empower fishermen to be the solution, rather than being seen by too many people as the problem. The scheme that my hon. Friend outlines is an absolute model for management in the future, I shall discuss why that is so important and why it remains my intention to see it work in the future.

I will take this opportunity also to pay tribute to the Scottish fishing industry. I have been impressed by what I have seen in the way of real-time closures, the conservation credits scheme, the technical measures that have been adopted and the serious approach taken to sustainability responsibilities that the fishermen themselves have implemented. Scottish fishermen must not take all the praise, because a lot of good work is going on in England—in my hon. Friend's constituency and elsewhere.

It is clear that the current system of quota management is not working. It has served to encourage discarding and has driven many fishermen out of business. This Government have repeatedly stumbled over quota allocation—for example, distributing quota among the 10-metre and under and over-10 metre fleets in a completely disproportionate and haphazard manner. That has resulted in the 4,833 10-metre and under vessels receiving only 3 per cent. of the national quota, compared with the 96 per cent. that goes to the over-10 metre fleet, which has about 1,500 vessels. As I have said to the Minister before—he wants to corner me on this—I am not in the business of impoverishing one sector to the benefit of another, but even those running large producer organisations say to me, "If you get into government, for goodness' sake do something about the under-10 metre fleet in England and Wales." That is because it has for too long suffered from the completely disproportionate sharing of the cake.

Bill Wiggin (Leominster) (Con): Next time my hon. Friend is discussing quota allocation with the Minister, will he find out exactly how much of the UK quota was unused in any one year?

Mr. Benyon: The issue of latent capacity, which my hon. Friend raises, is fundamental to the resolution of this problem, and I shall discuss that in a moment.

A further example of not quite getting it right is the somewhat unusual idea of a "cod qubta lottery" for this year's remaining under-10 metre area VIId cod, which was recently proposed by the Marine and Fisheries Agency. The scheme proposes that rather than the remaining cod quota being split between the 183 cod catcher vessels in area VIId, 36 vessels would be chosen at random in a lottery draw to receive the allocation of quota between them. I have a copy of a letter from the MFA explaining the scheme. It is dated 20 November and it states:

"Applications for the draw are invited now and that list will be closed on Thursday November 26th."

On the basis that it probably took three days for the letter to arrive and for fishermen to respond, it is extraordinary to think that that might be a proper way to allocate this kind of quota.

If the idea were not bizarre enough, I discovered that no consultation was made with the inshore sector about the lottery. It is being sold as a way of making the allocation of cod quota in area VIId "fair to all", but in the fishermen's opinion it is doing the exact opposite, creating infighting and a completely unlevel playing field in the sector.

When I meet fishermen up and down the country I hear the same story of the reality of fish stocks not being reflected in quota. We absolutely must underpin quota allocation with science, but that science should be informed by the fishermen as well. Partnerships between scientists and fishermen are a great step forward and a genuine opportunity to obtain coherent data on fish stocks that would, in turn, allow us to manage our quota more effectively. I hope the Minister will do all that he can to encourage those partnerships and gain a better insight into UK fish stocks.

On one of my visits to the east coast, I was made aware by a local fisherman of a scheme called the environmental responsibility fishing project, which was abruptly cancelled last month. The scheme took 30 under-10 metre vessels, removed restrictions on what they caught and allowed them to land all of their catch. Apparently, the scheme's purpose was to give the Marine and Fisheries Agency a better indication of what levels of stock there were in a particular area.

The boats were allocated 2 per cent. of total allowable catch, but they ended up catching around 20 per cent. because of the amount of cod in that area. They finished catching cod in late May, but at the beginning of November, just as the cod season was about to begin, they were told that the scheme was cancelled. They were given 500 kg of quota a month, which most of the vessels were catching in a day. Naturally, there was considerable concern among the fishermen about how to make a living in the period up to the next quota year.

It is my understanding that the fishermen involved in the scheme got no warning that the experiment was going to be stopped. If there is a theme here, it is that fishermen are not being consulted when they should be. Many had to invest considerable amounts of time and money in getting sustainable gear for selective fishing, but they cannot now pursue those methods as they are not in possession of any additional quota. I understand that pilot schemes have to be stopped if they are not working, but the apparent lack of consultation with the fishing industry is more than worrying.

I am under no illusions: if I were to be in the Minister's place after the election, I would not have a magic wand to wave to solve the many problems that the industry is facing, but the industry is in crisis and the issue of quota allocation is complex. A quota system that suits one sector of the fishing industry might be completely unsuitable for the other. It is therefore imperative that we move away from a blanket approach and that we look at quota not only on a fishery-by-fishery basis but also in terms of vessels.

That is a prime example of how the CFP is not working at the moment. Most of our fisheries are mixed and micromanagement from Brussels simply does not work here. Innovation, localism, devolved powers—those are the way forward. Whatever we have to do, there must be a fairer way of dividing up quota than the one that we have currently.

Sir Menzies Campbell (North-East Fife) (LD): The hon. Gentleman has spent a commendable amount of time talking about the 10-metre and under sector. As I am sure he has found out from his travels north and south of the border, in many cases it is that sector that supports the village-based industry. Would he be willing to extend the localism that he is talking about as far down as those components of the village-based fishing industry?

Mr. Benyon: I absolutely am giving that assurance to the right hon. and learned Gentleman, because I think that localism is best. I shall come on to talk about the over-10 metre sector as well, but I am encouraged by the direction of travel in the debate. The Minister has also touched on the fact that there is a fair amount of agreement here. There is an opportunity to devolve power so that fishermen, even at a really local level, can take control of the industry. The inshore fisheries and conservation authorities may be the appropriate vehicle by which they can reverse the burden of proof so that they can be trusted to deliver genuine change and police themselves. I shall deal with that briefly in the short time that I have left.

Discards are a further symptom of the failure of the current system of quotas, as a number of hon. Members have noted already. According to the International Council for the Exploration of the Sea, 45 per cent. of cod caught in the North sea last year were discarded. Much higher levels of discards are reported in more inshore waters. The reality of discards can be seen on the north-east coast, where fishermen operating in a mixed fishery are being forced to discard the whiting that is being caught in abundance due to a reduction in TAC.

The overall TAC is not being caught but the UK quota means that vessels have had to discard whiting from March onwards this year. If the proposed reductions go ahead next year, they claim that they will be discarding from January, and that is a prime example of the current inflexibility of the EU's TAC and quota system.

Mr. Carmichael: Will the hon. Gentleman allow me?

Mr. Benyon: I am conscious of the time and hope that the hon. Gentleman will allow me to make a little more progress, as I might be coming to the point that I think he may be about to raise.

However, I was pleased by the Minister's confirmation that the Government are backing the Aalborg declaration of earlier this year. That has shown a commitment at last to tackling discards, as it allows fishermen to land all of their catch. The Minister will be aware that that reflects a policy discussed by my hon. Friend the Member for Leominster over the past year. The commitment is welcome, but it would have been better if the UK had been able to take the lead and put its own policy on discards in place. We need to go further than these headline announcements. We need to be firm in calling on the EU to take a more flexible approach and give the UK the opportunity to pilot schemes for local management in our fisheries to reduce discards.

We should not be making disjointed and largely unsuccessful efforts to confront the issues facing our industry. The Minister touched on decommissioning, but I think he is on thin ice with that issue. If I had been in his position, with the millions of pounds that have been spent on decommissioning, I think I could have made a better job of rebalancing the industry. I would have held the quota that he allowed to remain with individuals as a national asset and given it—*[Interruption.]* It was in the Minister's gift to give it to whatever groups of fishermen he felt had been unfairly treated.

Huw Irranca-Davies: I am sorry for wasting other hon. Members' time by intervening on this point, but it is important that we hear the hon. Gentleman's view. Is he suggesting that we give it to the under-10s? Because that was what we did.

Mr. Benyon: The Minister gave a small amount to the under-10s, but if that quota had been held, millions of pounds of decommissioning money could have been spent much more effectively on rebalancing the industry. I will be happy to discuss this with him at any time, but I think he got that one badly wrong.

Of course, the EU and member states have an oversight role, but day-to-day management must be devolved to a local level. Irresponsible fishermen must be taken to task, but they are the minority. The majority of fishermen are responsible stewards of our seas, and they are keen to be trusted and given the responsibility to make a difference to the fisheries on which they rely.

I draw hon. Members' attention to the common fisheries policy Green Paper, because it gives the industry an opportunity to become less decentralised. I commend the National Federation of Fishermen's Organisations for producing a very good paper, in which it talks about an approach of sustainable fishing plans, which is similar to a policy that I have discussed as I have gone around the country. The proposal is for three to five-year plans in which technical measures and accreditation schemes could be assessed, and the burden of proof could be reversed. The approach would not only have additional benefit for fishermen, because how much more fun would it be for someone to work for the MFA or the marine maritime organisation if they could say not, "You can't do this, and if you try that, we'll criminalise you," but, "We'll educate you, provide you with the means by which you can change the way you fish, and support you in trying to fish more sustainably"? That would be a much better way to proceed, so I pay tribute to the NFFO for bringing its proposal forward as part of the debate on CFP reform.

The top-down, centralised approach that has been followed thus far cannot continue if we are to achieve sustainable fisheries. With CFP reforms on the horizon, we must seize the opportunity for wholesale reform that decentralises day-to-day management of fisheries to a local level. We must trust fishermen's knowledge of their fisheries and allow them to lead the way on fisheries management. Regional advisory councils already provide an effective model for that, and if the new inshore fisheries and conservation authorities created by the 2009 Act are implemented effectively, they will offer real potential for devolving responsibility to where the knowledge really lies.

Getting the reform right is of utmost importance to thousands of British fishermen. The current version of the CFP has been almost universally acknowledged as a disaster for both the fishing industry and the health of the marine environment. It has failed to provide a sustainable future for our fishermen and failed to protect our fish stocks. There is no room for back-seat politics when it comes to CFP reform. If I am lucky enough to find myself in the Minister's position, my party and I will engage at every level in the EU to ensure that we get the best possible deal for the future of fishermen. The European Commission has opened a window of opportunity for the radical reform of the common fisheries policy and it is imperative that the Minister and anyone who follows him exercise as much influence as possible over the reforms.

As I have said, the issues affecting fisheries do not begin and end with the industry. If our fisheries are to have a sustainable future, we must take steps to conserve fish stocks and rebalance the industry so that effort does not outstrip supply. The 2009 Act has provided a once-in-a-generation opportunity to carry out meaningful and effective conservation measures for our seas. The creation of marine conservation zones, IFCAs and the Marine Management Organisation is a positive step in the right direction. It was a pleasure to work on the Act as it proceeded through Parliament, and the cross-party consensus that operated in a bid to put the legislation on the statute book was a model of how to take such a measure through the House.

We have, however, done the easy bit. I remember seeing a look of satisfaction on the faces of many hon. Members as we passed the Act, but MCZs must be thoughtfully implemented and properly managed. Enacting a Bill is, in a sense, just a process—it is the outcomes that really matter. It is imperative that the designation of MCZs is an ongoing, flexible process that addresses the wide range of environmental challenges facing the marine environment. We also need a buy-in from fishermen, but that will be achieved only if we work with them, rather than impose measures on them. The Minister commented in response to an intervention from the hon. Member for St. Ives (Andrew George) on conservation areas and special protected areas. If Natural England is true to its word, MCZs will be implemented in a balanced process that will involve fishermen at an early stage.

The implementation of European special protected areas is causing concern. The other day I was in Weymouth, where fishermen had been shown lines on maps of fishing areas in which they have had crab pots for many years. However, such plans should be explained to them at an early stage. There may be a thoroughly justified reason why those areas have been protected, but the fact that fishermen have not been consulted is a problem.

A further challenge arising from the 2009 Act is the transition of the Marine and Fisheries Agency to the new Marine Management Organisation. I hope that the Minister's optimism is justified. I welcome the creation of this important new Government agency, which I hope will breathe new life into the approach to fisheries management, but I am concerned lest the transition from the MFA should result in the loss of specialist expertise. I learned from the written answer to a recent parliamentary question that some 67 MFA staff have refused to relocate to the new MMO in Tyneside. For many months, inside the organisation, reference was made to the Tyneside 10.

Mr. Andrew Pelling (Croydon, Central) (Ind): On a point of order, Mr. Deputy Speaker. Would you provide guidance as to whether there will be time for any Back-Bench contributions to the debate?

Mr. Deputy Speaker: Yes, indeed there will be, and points of order like that one just take up even more time.

Mr. Benyon: I am bringing my remarks to a conclusion, but it is important that the Minister understands the concern within the organisation about the MMO. The Government are not good at machinery of government changes or at managing people and organisations. There may be very good reasons why Tyneside was chosen for the relocation, and I have nothing against the area, but the Minister should have consulted the MFA employees much earlier to encourage more of them to go to the new MMO, because it is important that it works. We will all support it when it comes into operation in April, but it has not had a good start.

I approach my role with no sense of a one-size-fits-all solution, and I intend to work with anyone who wants a meaningful discussion about how to approach the future of our seas. However, if my party comes to power, the health of our seas, the viability of fishing as a business and the plight of our coastal communities will be real challenges for a new Government, and they will be a priority for my party in the months and years ahead.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The eight-minute limit on Back-Bench speeches will apply from now on.

8.44 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): May I express my resentment that this major fishing debate, which is important to all of us and brings together the best and the brightest Members of Parliament—that is to say, the fishermen of England, Scotland and Northern Ireland, plus a line fisherman from Reading-super-Mare—to discuss the issues of fishing has been allowed only two and a quarter hours, of which the first hour has been taken up by the Front-Bench speakers? It is appalling that we are forced to cram our remarks on the forthcoming talks into that time, particularly as these talks will be some of the most difficult that we have had to face.

Today's Norway talks will be complicated by the unilateral mackerel quotas grabbed by Iceland, the Faroes and Norway. We face a difficult settlement in the December Council meeting because of the problem of cod in the Irish sea. We face a situation in which co-decision is to be extended to the European Parliament, which will bring many more political considerations into a common fisheries policy that should not be dominated by politics, and will increase the leverage of the conservation and environmental fanatics, who regard commercial fishing as the enemy rather than the agent of conservation and sustainable fishing, which is how I see it. They will pay more attention to the cuddly seals than to the fish that the seals eat.

The Opposition Front-Bench spokesman, the hon. Member for Newbury (Mr. Benyon), said that the reform of the common fisheries policy for which he so much hoped was pushing at an open door. I have to say that some horrible things have emerged behind that door so far, with the first grab of power by the European Commission when it introduced the technical rules, which have been abominated by fishermen and the fishing organisations. The rules were rushed in with no consultation and were top-down measures of the type that we do not want. Fortunately they were postponed, but the Commission has now insisted on an EU control regulation which will provide for only a 10 per cent. margin of tolerance between the logbook estimates and the landing declarations.

That will lead to prosecutions all over Europe, particularly in this country, where our authorities are more assiduous than most, as soon as we get electronic logbooks. It is very difficult to estimate the size of the small amounts of by-catch, and any error of more than 10 per cent. will lead to prosecution. That will lead to an insane situation, with prosecutions all over Europe and all over England. In Grimsby recently a skipper was found to have a discrepancy of only 8 per cent. between his logbook estimate and his landing declaration on plaice, for which he was prosecuted, although there were no quota restrictions on his producer organisation for that species.

If that is an augury of things to come, it is an augury of disaster. If it is an augury of the kind of thing that the reform of the common fisheries policy will throw up, then that is even worse. We should oppose such reforms. Reform should pass power down from the centre—the point made by hon. Gentleman—from the command and control economy and management system operated by the Commission to the regional advisory councils and to a self-regulating industry. "Trust the fishermen" should be the slogan. The de facto decision making should be devolved and responsibility should be delegated.

We need sustainable fishing plans managed by producer organisations that will document the vessels' activities and performance and will audit the situation—a bottom-up rather than a top-down system, such as the one that

[Mr. Austin Mitchell]

operates in Australia. We need to combine that with long-term management plans, and I hope the Government will support that.

In the December Council, the probable 25 per cent. reduction in fishing mortality under the cod recovery plan in the Irish sea and Scottish westerly waters will divert effort from those waters into the North sea and damage the industry there. The cod recovery plan is not working effectively in the North sea, either, so the time has come to review the plan and ask whether we cannot sustain and rebuild the stocks by other means. Something has to be done about a plan that is manifestly not working. We must note that any reduction in the days-at-sea allowances will lead to "Olympic" fishing, whereby people go out and catch all that they can. They will catch more cod as by-catch, and that will encourage more discards. The same situation will apply to nephrops, because of the failure of the catches on the Porcupine bank off Ireland, which will have a knock-on effect on the whole area. Why can we not combine haddock and whiting quotas to reduce whiting discards? Fishermen could make a return and land their stock, and we could avoid the problem of such large discards.

It is appropriate that I give only a short speech, but I want the Minister to make such proposals at the December Council. The industry will support them. He has done a very good and helpful job so far, but the crunch time is now, and it is important to resist the Commission's proposals.

8.51 pm

Andrew George (St. Ives) (LD): I entirely agree with the hon. Member for Great Grimsby (Mr. Mitchell): we need protected time in which to undertake this debate in future, so that we do not lose time because of other business. Many hon. Members wish to take part, and I shall do my utmost to make my remarks as quickly as possible so that we allow as many hon. Members to speak as we can.

We use this debate as an opportunity both to demonstrate our appreciation of those in the industry, especially the catching sector, who are engaged in the most hazardous profession, and to convey our sympathies to the families and colleagues of those men who engage in this important industry to put fish on our tables and who are lost at sea.

I pay tribute to the Minister and agree with about 90 per cent. of what he said. I shall try to concentrate on the areas where we disagree, rather than on those where we agree. In that respect, I pay tribute also to the hon. Member for Newbury (Mr. Benyon), because, having heard a decade of fantasy from the Conservatives, I think it useful and helpful to hear that the party has turned around and is now engaged in constructive dialogue about the future of the fishing industry in relation to its international objectives with the rest of Europe.

The negotiations are very difficult. The Minister will be aware that the main, very important fishing port of Newlyn in my constituency, which I hope he will visit soon, had a troubled year. It is now, however, looking positively to the future. However, many challenges affect my constituency and others. They include the challenges from the change to the regulation on under-10 metre vessels. The hon. Member for Reading, West (Martin Salter) will mention recreational sea anglers and the regulations affecting them. In an intervention on the Minister, I also mentioned that two of the five special areas of conservation—the special protection areas—are within my constituency. Their likely impact should be a good opportunity for the Government and Natural England to show that, in fact, conservation and a sustainable fishing industry can work together. We will watch that one closely. Further challenges include the roll-out of the Marine and Coastal Access Act 2009 and the implementation of the inshore fisheries and conservation authorities, and I congratulate the Minister on his decision to retain the integrity of the current boundaries of the sea fisheries committees.

I shall emphasise a theme in my contribution. On the future of this industry, we do not envisage the "them and us" culture of the past, with the fishing industry working against those enforcing the regulations and the scientists, or vice versa. Instead, we envisage everyone working together, with the shared objectives of a sustainable industry—scientists and regulators working with the industry, and the industry often leading the debate on constructive proposals for its future.

I want to deal with the annual Fisheries Council, common fisheries policy reform, and the Green Paper, and to look at constructive ways forward. The Minister will be aware, as he has been through this already, that we will no doubt again have the absurdity of the 11th-hour brinkmanship of overnight negotiations as the fishing nations come together to resolve the remaining issues of debate and disagreement. I wish him well in those discussions. Of course, we agree that decisions should be based on sound science, but what do we do if the science is not there or if there has been insufficient recent scientific assessment? That has bedevilled much of our debate in years gone by. Throughout area 7, many of the scientific assessments are based on last year's, not this year's, assessments. What are we to do in those circumstances? I hope that the Minister will say that he is working towards remedying that situation early in 2010. Scientists, the industry, DEFRA, the regional advisory councils and the European Commission need to work together to address it.

Another theme that runs through those negotiations, which possibly affects areas 6 and 7 more than others, is the "use or lose it" method, which results in perverse outcomes—for example, the Cornish fishermen lose out if the French do not catch their quota. If quotas are not rolled over, there is also the perverse incentive whereby fishermen are encouraged to catch rather than to preserve their stock. I hope that the Minister will take that into account in his negotiations in the Fisheries Council.

The practice of quota swapping increasingly happens between nations. As a result of the establishment of the RACs, Cornish fishermen are working well with French fishermen, and that is happening elsewhere, too. Surely that is a beneficial outcome. It is better to develop international relations by joint working within the RACs. I understand that that is not yet sanctioned or supported by the Minister and his Department, so I hope that he will take that point on board.

The Minister mentioned the need to preserve spurdogs, porbeagle sharks, skates and rays. Those are non-target species, and rightly so, but they are an unavoidable

by-catch in many of the sectors that we are talking about. I hope that he will work with the industry to try to ensure that we reduce that by-catch, as the measures proposed in the settlement for the Fisheries Council will not save a single spurdog, porbeagle shark, skate or ray. He has received a letter from the Cornish Fish Producers Organisation, dated 27 November, which contains some significant proposals that I hope he will take into account.

I think that we are all reading from the same page in the debate on common fisheries policy reform. We want it to be more devolved on the basis of better science, better monitoring and better, more even enforcement across Europe, with more buy-in, based on a constructive dialogue, from an industry incentivised to promote long-term objectives and sustainability. However, the remaining issue, which we often come back to, is the role of total allowable catches and quotas in the future of the CFP. I think we can also all agree, as we have tended to do so in all the debates that I have engaged in, that quotas are a blunt instrument. They create the obscenity of discarding fish, they create a barrier to new entrants, they are almost useless in protecting stock in mixed fisheries, particularly ultra-mixed fisheries such as those in my area, and they are perceived as often being based on arbitrary assessments and threadbare evidence.

There are many other criticisms of TACs and quotas. However, the problem is that as soon as one starts to think of getting rid of them, the industry says that the problem is that the most highly valued stock—in my area, Dover sole and turbot, for example—would be the first to be plundered and would therefore slip down the value chain. Moreover, that approach would hit the areas that are as close as possible to port, particularly when fuel prices are high. It would not work. I have noticed that the National Federation of Fishermen's Organisations is very clear about wanting a system strongly based on quotas.

The problem with discards is how to distinguish intended and unintended over-quota by-catches. That has been a conundrum for the regulators and will continue to be. If we got rid of quotas altogether, those who had invested properly would not be properly rewarded for it in future quotas and licences.

The hon. Member for Newbury referred to the NFFO's proposed sustainable fishing plans, which are clearly the way forward. It has stated that a future CFP should be:

> "The catching and gathering of marine resources for the benefit of humankind in ways that do not prejudice future generations".

I would add that that should probably include their appreciation of a healthy and diverse marine environment. The culture has changed for the better over the past decade, and there is a strong and constructive dialogue. The industry is working constructively with marine scientists, and there are two good examples of that. The first is the Cornish Trevose ground closure, which has now been in operation for four years. It was introduced for cod recovery, and anecdotally it is working. We have not yet had a review of the impact that it is having, and I hope that the Minister will ensure that there is one. Has it displaced effort elsewhere, and what contribution has it made to the spawning stock biomass, sustainable yields and the recovery of cod and other species? Knowing that would be particularly helpful.

The second example, which the hon. Gentleman mentioned, is an excellent initiative largely driven by the industry in Scotland—the Scottish conservation credits scheme, which was introduced last February. They are Celts, but they are rather laggardly Celts, because they are slightly behind the Cornish, but never mind. We will forgive them for that—at least they are ahead of the Anglo-Saxons. The scheme is based on voluntarily closed areas, changes in gear, the management of effort and the maintenance of days at sea.

The industry has come up not only with those two excellent initiatives, which are already working, but with something of which I hope the Minister will take account—the sustainable fishing plans. The hon. Member for Newbury has already described them, so I do not need to. I hope that the Minister will take into account what hon. Members have said and ensure that the plans become the basis on which we can build an agenda for the future in which the industry is keyed in and working constructively with scientists, marine conservationists and law enforcers. There must be greater teamwork, with all of us working together, rather than the "them and us" culture of the past.

9.3 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I welcome the approach that the Minister has taken and the opportunity once again to discuss the fishing industry. Not a lot changes—in the 20 years or so that I have been attending these debates, Front-Bench speeches have always been too long and the debate has always been too short, and we are always compressed like this.

The Minister opened the debate by referring to the huge changes that we are seeing in the industry, a number of which have been mentioned by all three Front Benchers, but nothing much has changed for the industry, because this year it is once again facing a lot of uncertainty. That is partly about the Norway and EU discussions that are taking place today, and the level of uncertainty is much greater this year because of the mackerel stocks, which have been mentioned a number of times. It is clear that the industry faces a number of serious problems, and it will need to adjust to the Marine and Coastal Access Act 2009. Probably most important are the changes in the CFP. There is a lot of optimism, and it is important that we are all singing from the same hymn sheet on such a fundamental issue.

The all-party fisheries group recently met representatives of the Scottish Fishermen's Federation and the National Federation of Fishermen's Organisations. I have to say that I did not detect a huge amount of optimism from them about where they saw the EU going, despite the NFFO's very good report on the Commission's green paper. There is still a lot of uncertainty about whether the Fisheries Council or the European Commission would want to give up their power.

That situation has been made slightly worse because the industry is smarting from the decision that the Fisheries Council took last week on the west coast white fish sector. That is likely to have an impact, not just on the Scottish industry but around the country, because of the displacement that may be caused, because of other factors and, more importantly, because of the attitude taken by the Commission. There is deep concern, certainly about the attitude of the Fisheries Council,

[Mr. Frank Doran]

because the decision seemed to show that it is still in the driving seat, and that there is still centralised control. The industry saw the emergency regulations introduced earlier in the year as temporary, and there was real concern and surprise when the Council extended them. That is a serious matter for concern.

It is quite clear from the UK industry—this comes through in the NFFO publication mentioned earlier, and in publications from the Scottish Fishermen's Federation—that it strongly wishes to move away from the current centralised approach, and towards a regional management system, whereby local decisions can be taken by stakeholders under a process of rigorously applied and regulated criteria. That is certainly set out in the Commission's green paper, but the question is whether the attitude recently shown by the Commission suggests that it is seriously likely to consider that route. That is something that we need to consider carefully.

The Minister mentioned the number of jobs in the industry, but he did not mention the onshore side of the industry—the fish processing side. It is going through difficulties of its own. It suffers the same uncertainty about supplies, but of course it can, and does, import from ports around the world. Like every other business, fish processing businesses are under pressure, particularly because of the lending position taken by many banks. Those businesses face the same difficulties as the rest of British industry, and we should recognise the importance of fish processors to the fishing industry.

The Minister rightly paid tribute to those fishermen—12 this year—who have lost their lives in the UK fishing industry. We all know that the fishing industry is the most dangerous industry in this country. A research project carried out by two academics at Swansea university and published in 2007 set out the shocking figures. The fatal accident rate for UK fishermen between 1996 and 2005 was 115 times higher than that of the general UK work force. By comparison with other specific areas of work, that rate was 81 time higher than that in manufacturing, and 24 times higher than in the most dangerous onshore industry, construction.

That research was followed by a report by the marine accident investigation branch, which was published last year. I know that the MAIB is not part of the Minister's Department, but it investigated the causes of death of the 256 commercial fishermen who died in 180 separate marine accidents between 1992 and 2006. Those statistics were added to and highlighted when Seafish published its report "The Price of Fish?" earlier this year. Seafish is to be congratulated on the report and on the work that it is doing on the subject.

The title of the report is apposite, because we know that as the economics get tougher in any industry, particularly the fishing industry, more and more risks are taken; that is a sign of the times. That is a matter that we need to be cautious and careful about, and we need to invest much more to tackle the problem. The hon. Member for Orkney and Shetland (Mr. Carmichael) talked about the culture of the industry. One anecdote that has stayed with me throughout the time that I have represented a fishing community is that of the old fisherman who was shown a new type of lifejacket. His first response to it was, "Aye, son, but does it catch fish?" That is the culture of the industry. It is a dangerous culture, and we need to work to change that. I make a simple plea to the Minister: in all the hectic rounds of talks and negotiations over quotas, which do not happen just at this time of year but throughout the year, will he and the Government as a whole not lose sight of the importance of the safety of our fishermen?

9.10 pm

Bill Wiggin (Leominster) (Con): I begin by praising the work of the Angling Trust, whose headquarters are in Leominster, in my constituency. I am very proud that it has chosen to base itself there. Herefordshire has the famous River Wye, the finest salmon river in England. The Angling Trust came into effect in January 2009—the hon. Member for Reading, West (Martin Salter) and I were there—and it has provided a unified voice for angling needs, which is a tremendous asset. Some 4 million anglers contribute £1 billion to the economy and support more than 20,000 jobs. The trust has done a good job of keeping the interests of angling to the fore in the Marine and Coastal Access Act 2009. I hope that the Minister will take on board the fact that it is essential that angling interests are properly represented on inshore fisheries and conservation authorities and are not just lumped in with other interests. They need a proper voice.

Angling is a great inclusive sport. I would also like to pay tribute to the organisations that support disabled angling, particularly the British Disabled Angling Association. Unfortunately, last year the Government hit disabled anglers with a one-third increase in their fishing licence fees, and 140,000 senior and disabled anglers are now paying more for their concessionary rates.

In a written answer to me, the hon. Member for Chatham and Aylesford (Jonathan Shaw), then a DEFRA Minister, confirmed in April 2008 that there would be another review of the concessionary rates for the licence fee in 2010. I hope that this Minister will ensure that that review takes place and that angling groups and disabled anglers, in particular, are fully included in that review and that the concessionary rates do not remain as they are but go down so that more disabled anglers find it easier to go fishing.

Article 47 of the related EU Commission regulation is the other serious concern against which anglers have been battling. It would take the amount of fish caught by anglers and put it in with national quotas. As for the progress that has been made, it is a case of so far, so good. I tabled early-day motion 528 on this matter last year and I think that the European Economic and Social Committee has highlighted the impact on the commercial sector and amended the wording. However, although I welcome the progress, we have to be careful. Some of the terms in the existing wording allow the Council to introduce "specific management measures", including catching declarations and fishing authorisations, where it is thought that a recreational fishery is having a "significant impact." The danger may have abated, but it has not gone away. I hope that the Minister will keep the House updated on such proposals and ensure that we veto them if the opportunity arises in Council.

The Minister mentioned the bluefin tuna. It is a tragedy that, even though that species is one of the most endangered in the world, members of the International

Commission for the Conservation of Atlantic Tunas—ICCAT—voted in November to allow 13,500 tonnes of bluefin tuna to be caught next year. That fish will be extinct in two years' time; it cannot be fished at that level, and it is a real mistake to allow it. More needs to be done to prevent illegal tuna fishing and we certainly should not be considering having such big quotas.

On whaling, I must encourage the Government to take a very robust approach. Just recently, we saw the Japanese make significant progress: they actually managed to win a vote. When that happened, I checked to see what the Government had done to encourage other countries to join the moratorium on whaling. Very little had been done and so I take this opportunity to say to the Minister that he must not take his eye off the ball—we are all agreed that whaling cannot be allowed to be brought back.

We must ensure that effort goes into bringing on board countries that are not members of the International Whaling Commission. When the right hon. Member for Exeter (Mr. Bradshaw) was the relevant Minister, he gave me a written answer that said that, of the 57 countries to which the Government sent their documents, only 15 were non-IWC members. Seven of those have still not joined: Bosnia, Latvia, Malta, Macedonia, Serbia, Montenegro and Turkey. I hope that the Minister will ensure that pressure is put on those countries to join the IWC and to ensure that whaling is not brought back.

On the Marine and Coastal Access Act, I think we all welcome the progress that has been made. I congratulate my hon. Friend the Member for Newbury (Mr. Benyon) on the excellent job that he did in a very consensual and positive way. He made sure that the Bill was as good as it could possibly be, and I congratulate him on that. One thing is still of critical importance—that other countries respect our efforts to preserve the marine environment. At the moment, they do not have to do so, which is why within six miles of our shore foreign fishermen can be obeying a completely different set of rules from those observed by British fishermen. We saw that with beam pair trawling—a way of fishing that is especially damaging to dolphins and that goes on just out of range. I urge the Government to do everything they can to ensure that the six and 12-mile limits are respected and that other European countries obey the same rules as British fishermen.

I know that the Minister will be discussing fish stocks in December, and he will know that 88 per cent. of fish stocks in Europe are over-fished, compared to a global average of 25 per cent. Some 30 per cent. of stocks are outside safe biological limits and 14 of the 47 fin fish stocks of importance to UK fishermen are now fished outside those limits. Only eight fin fish stocks are within those limits. If the Minister can do just one thing in his term of office it should be to ensure that those fish stocks are preserved. Everyone agrees that discards are wrong, but until we start to measure what is caught, we will not have the scientific evidence that we need to enforce proper discard bans. The hon. Member who mentioned what his fishermen were doing with larger mesh sizes was right, but at the moment there is no incentive for fishermen to be more selective in their gear—they do it out of the goodness of their hearts—and we need to ensure that, if at all possible, we reward best behaviour. At the moment, that is not happening and we need to do far more.

Equally, we need to look at how the Government are allocating quota to the under-10-metre fleet. I understand that The Hague convention allocation went to the over-10-metre fleet—

Huw Irranca-Davies: Not this year.

Bill Wiggin: That is the first time that the Government have done what I asked last year and I am delighted to hear it. That is fantastic. At last, we are being listened to.

Under the sustainable access to inshore fisheries project, the Minister introduced the environmentally responsible fishing pilot scheme for 31 vessels in the under-10-metre fleet in three areas. Those vessels can fish without restriction and land their catches instead of discarding them. That is tremendous, but what I want to ensure is that the fish that are caught are recorded, so that we have proper scientific evidence and know what other people are doing. If that happens, there is hope for our industry. We have heard how dangerous it is, and we should remember those fishermen who have lost their lives at sea. This is an important issue and I wish the Minister well in the debate in Europe.

9.18 pm

Mr. Eddie McGrady (South Down) (SDLP): At this time of year, the Northern Ireland fishing industry faces the Christmas season with dread and almost despair because of the growing inability to earn a living at sea. I do not intend to address the broader issues, because they have been, and will be, so eloquently addressed by other hon. Members. I will discuss the more parochial aspects of the issue that I would like the Minister to consider.

I endorse the praise for the Minister that has come from both sides of the House tonight for his administration of this difficult industry. However, I shall unfortunately strike a discordant note. The House may be aware that the operation of the Hague preferences is particularly important to the island of Ireland, both north and south, but there is a feeling among the fishermen of Northern Ireland that they are now making an undue proportion of the contribution under the Hague preferences. Until last year, the buy-back or swap of the losses was compensated for by the UK as a whole, but it appears to Northern Ireland fishermen that this year they were the primary contributor to the swapping process.

In an effort to gauge accurately the scale of the swaps, fishermen asked DEFRA to give a summary of the Hague preference losses for the Irish sea since 2000. They were advised that the information could not be released because although the December negotiation teams had the information, they could not divert resources to release it. I find that a rather weak reason these days, when we have the technical ability to transfer data almost immediately. I must say, however, that I am disappointed because, in preparing for that point, I wrote to the Minister on 6 November, but as yet I have not even received an acknowledgement.

I shall move on, however, to the more important issue of the yearly quota cuts, including the one that will no doubt come from Brussels this month. The Minister

[Mr. Eddie McGrady]

referred to the importance in certain fishing communities of this vital industry—on both sea and land—to their economic welfare. That could not be better exemplified or illustrated than in my constituency of South Down, where two thirds of the fishing effort is concentrated, the remaining third is in the neighbouring Antrim constituency. In my constituency, and in one port in the Strangford constituency, the industry employs 1,200 people, contributing nearly £100 million to the economy. That would be severely affected by a further decline owing to the small-industry wipe-out that has taken place in constituencies such as mine and the complete collapse of the construction industry.

The largest sector in the Northern Ireland fishing industry is the prawn and nephrop sector—some 90 per cent. of the fishing fleet fishes for nephrops. That is the direct result of the yearly purges of the cod quota, resulting in an overall cut in the quota to date of 84 per cent. Only six boats in Northern Ireland still fish for cod.

That dynamic change, however, has not been particularly recognised by Europe, whose main proposal this year is to cut the nephrop and prawn sector by a further 30 per cent. If I remember rightly, last year, a more modest proposal for a 2 per cent. cut came out of the negotiations, but even that cost the economy in small communities in Northern Ireland £2 million. We could extrapolate a 2 per cent. cut from a 30 per cent. cut, but we still do not know what might happen. If the proposal is taken forward, at that rate of cut, several fish processing factories and more than 200 jobs will be lost immediately.

On the prawn quota, the scientific evidence gathered by the Agri-Food and Bio Sciences Institute is positive, and shows that prawns in the Irish sea are fished sustainably and that stocks are on an upward trend. Yet we have this proposal from Brussels for yet another massive cut. Like the Northern Ireland regional agriculture and fisheries Minister, I would like the Minister to confirm whether the area 7 prawn quota will be the No. 1 priority in the negotiations.

Huw Irranca-Davies *indicated assent.*

Mr. McGrady: I thank the Minister for that confirmation.

Since 1999, the European Commission has cut the cod quota by 84 per cent., the whiting quota by 95 per cent. and the plaice quota by 96 per cent., with further reductions proposed of 25 per cent. for cod and plaice and 30 per cent. for prawns. We must ask ourselves, "How can we protect our fishing industry?" It is not just a question of the income, but of the tradition, know-how and intimate knowledge gained over generations of fishing in particular places.

One of the problems of Northern Ireland's fishing industry is that it always feels one step away from the negotiating table. I welcomed the Minister's saying earlier that regional devolution to some extent, under broad guidelines, can take place. That would be very much welcomed by the fishing industry in Northern Ireland, which co-operates fully with the scientific regime that is measuring and advising on these matters.

I hope the Minister will take on board the fact that the industry in Northern Ireland is on a delicate knife edge between reaching critical mass and suffering total annihilation, and sustaining the livelihood of those communities in the years to come.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The next speaker may take the eight minutes that is allowed, but after that I propose to reduce the time to five minutes, to try to get as many people as possible at least to make some contribution.

9.25 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): It is that time of year again when the CFP gets its usual bad name. No one in Westminster seems to have a good word for it, but because of the great debtor hanging around our necks, it is not, unfortunately, challenged seriously by any of the current big parties in the House, so fishing priorities are diluted. From the perspective of Scottish desires, the priorities are diluted in the British Union. The UK's desires are further diluted in the European Union, but that is the CFP for us. I could go on for far longer, but I notice that the hon. Member for Great Grimsby (Mr. Mitchell), my ally on this issue, is not in his place, so perhaps I will spare the House, as hon. Members might not have the stomach for it.

We are where we are. What message do I want to leave ringing in the Minister's ears before he goes to Europe? I have a shopping list of things, and I am sure he will be taking notes on them or reading about them tomorrow. First, as has been mentioned, he should protect the mackerel, Scotland's second most important quota after langoustines or nephrops—call them what we will. I hope that the Government at Westminster will not blink on the issue. We hold the cards on mackerel. We should keep those cards and not trade mackerel away for any other species.

In the wider fishery, Scots fishermen in particular have led the way on conservation issues, as has been mentioned. That should be recognised and rewarded, not subject to the penalisation that so often characterises the common fisheries policy. On the wider philosophy of fishing, a mixed fishery with quotas is just not working. For instance, the Faroese are using an effort-based approach. They seem to be far more successful and are much happier with what is happening with their fishery—they are also outside the common fisheries policy, of course. One of the issues with quotas is that scientists emphasise the lowest stock in a mixed fishery, which leads to a perverse approach to the management of that fishery.

Huw Irranca-Davies *indicated assent.*

Mr. MacNeil: The Minister knows the difficulty with that issue; I can see him nodding.

Given the time available, I will now raise the issues that are pressing in my area of Na h-Eileanan an Iar—a constituency that I am sure the Minister looks forward to pronouncing at the end of the debate—on the west coast of Scotland. If I can translate from Gaelic, the main point made earlier today by Duncan McInnes of the Western Isles Fishermen's Association is that the squid and crayfish that are currently caught as part of cod recovery should be excluded, so the cod by-catch is

the fishery is effectively zero. I hope the Minister will look at that issue. Prawn fisheries in which the cod caught accounts for less than 1.5 per cent. should also be excluded, and those concerned should be given 200 days at sea and the ability to land the by-catch.

The Minister may need to know that although west coast prawn numbers are currently low, they were also low in 1981, yet 1982 and 1983 were almost record years. Prawn numbers are cyclical. The difficulty with the science is that it often takes snapshots, reporting things as they are and attributing them to whatever reasons or causes come to mind. We really do not know the reasons and causes, but we can learn from history about what happened in the prawn fishery before and see that the years after were successful years.

With a 30 per cent. by-catch of cod, haddock and whiting in some prawn fisheries, fishermen's leaders feel that the haddock should be removed from that category, because stocks of haddock are so good. The haddock fishery is in a very healthy position. John Harrour of Mallaig and North-West Fishermen's Association echoed that point. He would like some help to be given to the prawn fishery, which is experiencing some difficulty, with a 15 per cent. increase in margins and a 30 per cent. increase in monkfish, to help make the fishery pay for those fishermen. This issue is highlighted in an e-mail I was sent earlier today from the fishing vessel Astra in Stornoway. Given the limited time available, I will spare the House from having the e-mail read out, but it underlines the points made by Mallaig and North-West. I will of course make the contents of the e-mail available to the Minister if he would like to read it.

Mallaig and North-West also made an important point about the continuing catch of dogfish. At one time, these fish were caught and landed, but because of the bureaucratic drop in quota they are now caught and discarded. If that issue could be looked at, it would avoid the wastage of good food being thrown over the side.

Will the Minister also look at the tagging of nets? It is very annoying to fishermen when their boats are boarded and time is wasted while the inspectors check their nets; they might already have been checked in the very recent past. They could be easily be tagged to indicate that they had been looked at recently, so the lads can get back to their fishing.

On a lateral issue, I would like the Minister to consider Filipino fishermen, who are a welcome addition on the west coast. They are liked, wanted and needed there. I have been in talks with the Filipino ambassador about this. I hope that the Minister can use his position in Government to impress on the UK Border Agency just how important these fishermen are. The immigration Minister was helpful earlier in the year in ensuring an extension when there was a threat of having some of these fishermen removed from the country, but the immigration advisory council has delayed re-categorisation, so we still need a bridging period until this matter can be sorted out. I hope the Minister will ensure that if any fishermen return to the Faroes for the Christmas period, they will be allowed to come back. This issue also affects the processing sector; if these fishermen are not there to catch the fish, there will be no jobs in the processing sector, because the boats will tie up without them.

I wish the Minister well at the talks—the annual horse-trading, as it is dubbed. Let me say that it might be easier for him if he had alongside him the ally of an independent Scotland, which might happen in the not-too-distant future. Finally, I would welcome the Minister to Stornoway at any time in the near future.

9.32 pm

Martin Salter (Reading, West) (Lab): I should like to thank our two Front-Bench spokesmen with all the venom and sarcasm I can muster for limiting Back-Bench contributions down to what is now more likely to be a shopping list than a speech; so I had better get on with it.

I praise the Minister and all concerned for the passing of the Marine and Coastal Access Act 2009—an excellent example of how well we can legislate.

I urge the recreational angling sector to participate in the excellent "Your Seas, Your Voice" campaign, which it was my privilege to launch the other week in Westminster. It seeks public and stakeholder involvement in the identification of these important marine conservation zones. It is important that all stakeholders contribute to ensuring that we have conservation zones in the right places for the right objectives.

The Minister will have heard me say this before, but I would like to press him on the new IFCAs—inshore fisheries and conservation authorities—and ensure that sea angling is properly represented on them, as it was woefully under-represented on the old sea fisheries committees.

I thank the hon. Member for Leominster (Bill Wiggin) for his support for the Angling Trust. It is true that I launched it in January and that he was in the audience. I was pleased to see him there. For the first time, the Angling Trust has got its act together for the world of recreational angling and has actually produced a briefing for Members of Parliament—100 years too late, but a new first. Many of us will be thankful for that.

In exchanges on the Marine and Coastal Access Bill, the Minister gave a commitment to revisit the appalling decision of his predecessor on bass minimum landing sizes. I would like some timetable from him as to when that decision is to be reviewed. Alongside the Marine and Coastal Access Bill, we have finally seen the implementation of the salmon and freshwater fisheries review. New fish removal byelaws are being put in place and special measures are being taken to protect freshwater eels, which are fast becoming an endangered species. Separately, we have seen fish passage regulations and regulations in respect of hydropower to ensure that migrating fish can make their passage up river to the spawning grounds—an issue to which I shall shortly return.

Secondly, it was my privilege to participate in the launch of the Our Rivers campaign, with which the hon. Member for Newbury (Mr. Benyon) was also involved. It was a joint initiative from the Royal Society for the Protection of Birds, the Angling Trust and the WWF. That campaign highlights the fact that we are likely to miss dramatically the target that we need to meet under the water framework directive, which is for the majority of our rivers to have a good ecological status. At present only 20 per cent. of them have that status. There has been severe criticism of the 11 regional

[Martin Salter]

management plans presented by the Environment Agency. There has been a lack of effective stakeholder engagement and a lack of ambition. Those points were teased out in an Adjournment debate initiated by the hon. Member for North-East Hertfordshire (Mr. Heald) on 13 May.

I share part of the River Kennet with the hon. Member for Newbury. We have seen increased turbidity in the river as a result of the opening of the Kennet and Avon canal, increased abstraction as a result of increased demand, point source pollution, and a prevalence of invasive species such as signal crayfish, which are decimating fish stocks. Some crayfish will actually lie under the vent of a spawning fish, eating the eggs as they emerge and thus preventing all opportunities for the recruitment of new fish.

I was disappointed by Ofwat's draft determination, and also by the marginally better final determination that was published last week. I made serious criticisms of Ofwat—particularly in respect of the Thames Water region—for failing to take account of the need for continuing increased investment in dealing with waste water and sewage and tackling leakage, and, incredibly, failing to address the necessity of examining the impacts of climate change. It is true that Ofwat has allowed some significant investment. The Thames Tideway tunnel will make a major contribution, and despite the half-witted opposition of people such as Shaun Bailey and the leader of Hammersmith and Fulham, Stephen Greenhalgh, I believe it will make a radical difference. However, I worry about whether there will be sufficient investment in the 300-odd smaller sewage works which have an impact on Thames tributaries, including the Kennet.

The current situation is ludicrous. On the one hand, we are seeking to ensure that migratory fish can run the rivers and reach the spawning grounds. On the other, Natural England talks of reintroducing the beaver, the one creature which, by creating dams, will ensure that all our legislation on fish passes becomes absolutely worthless. If we really have to introduce endangered species, why do we not take the DNA of Tyrannosaurus Rex or the wolf and bring them back to Britain? There must come a point at which reality impinges on what Natural England—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. There must come another point as well.

9.37 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Like other Members, I am conscious of the time, so I shall restrict my remarks to a shopping list consisting of a few items. It is unfortunate that we have to do so, because there are bigger issues at stake which deserve the time of the House. It is nothing short of scandalous that we are not able to give them proper ventilation.

As the Minister prepares for the European Union-Norway talks, and subsequently the December Council, let me impress on him again the importance of preserving the mackerel allocation that we currently enjoy. The pelagic fleet is of supreme importance to communities such as Shetland which are highly dependent on fishing. The mackerel is probably the single most important element of the species available to those fishermen, and it should not be used as a pawn in some wider game with Norway. I have observed with some frustration the breakdown in international co-operation in that regard, which has seemed simply to disappear.

The Minister will recall discussions last year about haddock. That remains a problem for fishermen on the west coast of Scotland, particularly on Orkney, and it seems that we are still far from a solution. However, the situation relating to the west coast quota will be greatly ameliorated if the Minister is able to preserve for the EU the 65 per cent. allocation of the total allowable catch of haddock around Rockall that we currently enjoy. Of course, that should never have been put beyond EU waters. It is nonsensical that haddock and other deep-water species are not party to EU waters, but that is an issue for another day.

The fishermen whom I represent are particularly concerned about the effect of the 90 per cent. cod quota uptake. When fishermen hit the 90 per cent. allocation, they are required to start using separator gear. That means that they now cannot fish the last 10 per cent.—they are unable to fish up to the full quota. That may be a technical point, but I hope the Minister will accept that it is important and take it to the negotiating table.

On the shopping list, may I draw to the attention of the House the importance of megrim? When I first started taking part in these debates some eight years ago, it was a species about which we hardly spoke at all, if at all. It is now one of the most important North sea species for the whitefish fleet. About 97 per cent. of the catch in the North sea comes to the United Kingdom, and about 80 per cent. of it comes to Scotland, and just about all of it is landed in Scotland. It has become enormously important, and it is deserving of a degree of attention this year—and, I am sure, in years to come—that it has not, perhaps, had in the past. May I also remind the Minister of the importance of monkfish? Brevitatis causa, I ask him to take on board my comments on that subject in previous fishing debates.

We are now entering one of the most important phases of the coming years, as we look towards the reform of the common fisheries policy. As the Minister knows, I have a concern that while the Green Paper's analysis of the problem is welcome, it does not seem to accept the Commission's central role in creating that problem. In particular, I have a concern that the Commission seems to think that overcapacity is universal throughout the European Union, but it is not; the Scottish fleet, and in particular the Scottish whitefish fleet, have already experienced drastic decommissioning. We must be given the fullest possible credit for that as we go forward in the reform process.

9.42 pm

Mr. Gary Streeter (South-West Devon) (Con): I can also be mercifully brief. I simply want to make three representations on behalf of the fishermen of the far south-west, who see the reform of the common fisheries policy as an opportunity to put in place a far better system for preserving fish stocks and supporting our fishing industry.

On discards, I have already mentioned the voluntary trial that is taking place among several trawlermen operating out of the west country. They are experimenting with mesh sizes and changing gear so that fish they are

not seeking to catch have an opportunity to be released before the nets come to the surface. As I have mentioned, early results show a 60 per cent. reduction in discards. The fishermen are doing this voluntarily, and they say that they would like more such schemes to be developed in future. However, there needs to be an incentive in the form of some kind of enhanced quota when such cutting-edge measures are being introduced. I hope the Minister will take that on board in his negotiations with our European Union counterparts.

My second point is about the quota system. It currently runs rigidly from 1 January to 31 December. My local fishermen tell me that far greater advantage could be won by having a more flexible system, such as the system for milk quotas, where both surpluses and amounts not yet used can be carried forward for at least one year over the 31 December deadline—the expression they have used is banking and borrowing. I hope the Minister will take that on board, because in future there must be a more flexible system than we have had in the past.

Thirdly, as we have heard, good science makes for successful quotas. We need more scientists to go out on board the boats and more accurate surveying to be done, so the science and the fishermen interact more closely. I support the introduction of marine coastal zones; they are an excellent way forward. However, there needs to be full engagement and proper consultation with the fishing industry. I am sure the Minister intends that to take place.

In the past, we have had a top-down, bureaucratic, heavy-handed EU system that, frankly, has delivered the worst of all worlds: the devastation of our fishing industry, while not really preserving our fish stocks. The future must be all about flexibility and devolved decision making, and it will certainly include technical means to reduce discards with a benefit to fishermen, banking and borrowing, and better science to get quotas right. In short, we need to trust the fishermen and build a partnership with them.

9.45 pm

Dr. William McCrea (South Antrim) (DUP): I was delighted to learn that on 12 August this Minister was the first UK Fisheries Minister to visit Northern Ireland in more than 10 years. I can assure him that he was very welcome. He heard for himself that the Irish sea fishermen consider themselves to be the poor relations of fishermen from other parts of the United Kingdom. I understand that he was told in no uncertain terms when he visited Portavogie that issues concerning the Irish sea should be at the top of the UK fisheries team's agenda for this autumn's negotiations. The increases in the cod quota in the North sea are good news for fishermen based in other parts of the UK, and are of course welcome, but what are the proposals for 2010 in respect of the Irish sea? I think that they are unjustified proposals made by Europe that will have an impact on Northern Ireland's fishermen.

I wish to discuss the proposal for area 7 prawns. One matter that has frustrated me over the years has been the disagreement between fishermen and fisheries scientists about the state of fish stocks in the Irish sea. Yet I am delighted to learn that on prawns there is complete agreement between fishermen, fisheries scientists and officials; prawns are described as being fished "sustainably". Underwater camera surveys show a stable population—in fact, they have shown a significant increase in the Irish sea in 2009. This year's catches have broken all records, yet the Commission has proposed a 30 per cent. reduction in the quota, following a 17 per cent. increase three years ago. Of course the question we ask is, why?

The Minister needs to be aware—he certainly has been made aware—of the social and economic consequences if any of those cuts are agreed. I agree with the hon. Member for South Down (Mr. McGrady) on this. The County Down coast in Northern Ireland is home to the commercial industry, and Kilkeel is the largest of the fishing ports, being a town of about 6,500 people. Some 12 months ago it had three major employers, but unfortunately two of those have seen a dramatic collapse in their business because of the economic slowdown, resulting in hundreds of jobs being lost. The fishing industry is, thus, vital. Fishing is a traditional, locally owned industry and it is the last bastion of employment in Kilkeel and the other communities in the area, and if the December Fisheries Council agrees to any reduction in the prawn quota, that last bastion of employment will fall. That would be disastrous for the economic well-being of those communities, so I beg the Minister to ensure that that is not allowed to happen. He knows that he has the entire Northern Ireland team behind him: the Minister in the Department of Agriculture and Rural Development, her officials, the fisheries scientists, and the entire industry. Following a recent debate in the Assembly, everyone, including all those from Northern Ireland in this House, oppose any reduction in the prawn quota. As far as we are concerned, this is a red line issue for Northern Ireland.

Let us consider other issues briefly. I know that the Minister has acknowledged to industry representatives that when he signed up to the long-term cod recovery plan on 19 November 2008 the plan was flawed, and in the intervening 12 months, even more flaws have been identified. That, unfortunately, is an expensive mistake, with which we are going to have to live for another two years. The proposed quota reductions in respect of whiting and sole are disappointing, and greater scientific emphasis needs to be put on the impact of other factors affecting fish populations.

In the midst of all this, it is good to have some positive news from the Irish sea. A roll-over of the haddock quota is good news, as is the proposed 15 per cent. increase in the plaice quota. The latest scientific report advocating a 15 per cent. increase in the Irish sea herring quota must be pursued with vigour and a quota increase must be ensured. We wish the Minister well in his deliberations and I can assure him that he has the support of Members from Northern Ireland. I trust that he will but for our industry and its survival in Northern Ireland.

9.49 pm

Mr. Alan Reid (Argyll and Bute) (LD): We are almost at the last-chance saloon and we have to get common fisheries policy reform right this time—it is almost certainly the last chance for fish and for fishermen. I wish to echo the consensus across both sides of the House about the need to move away from the centralised system of decision making by the Commission in Brussels and towards a decentralised system based on regional management committees. Such committees would involve

[Mr. Alan Reid]

fishermen, scientists and fishery managers from the member states. Only by decentralising decisions down to the lower level will we ever get a system that sustains both fish and fishermen.

In the short time available to me, I want to raise some of the issues that concern my constituents. In the waters off Argyll and Bute, nephrops are by far the main species that are caught. Of immediate concern to local fishermen are the Commission's proposals for year-on-year cuts in the days at sea of the nephrops fishery. If the restrictions come into effect, fishing will become unprofitable for many vessels.

Nephrops stocks have been shown to be stable and healthy over a long period of time, but the Commission's cod recovery plan and its concerns about cod by-catch have serious implications for the nephrops fisheries. Those concerns are the reason why the Commission wants year-on-year cuts in the days at sea spent by the nephrops fleet.

There is an exemption from the cuts in days at sea for vessels whose catch is made up of less than 1.5 per cent. cod, but in practice fishing vessels have encountered great difficulty in obtaining it. The Clyde Fishermen's Association has told me that many vessels have proven observed data that show that their catches are made up of less than 1.5 per cent. cod, yet the Commission will not accept that evidence and exempt the vessels from the days-at-sea restriction.

The Commission is taking the approach that it will allow exemptions from effort restrictions only if a Swedish grid is fitted to the nephrops trawls. However, its insistence on the use of the Swedish grid does not take account of the measures already successfully employed to reduce the cod by-catch to less than 1.5 per cent. The grid has also been shown to be dangerous to handle, especially in bad weather, and trials have raised doubts about its effectiveness.

Further reductions in days at sea would force many vessels out of business, so it is important that the Minister and his Scottish counterpart make sure at the coming negotiations that the Swedish grid is done away with and that agreement is reached with the Commission so that there is a sustainable and transparent method of measuring the 1.5 per cent. level. Unless exemptions are gained, many fishermen in my constituency will go out of business. That is just one example of how centralised control in Brussels simply does not work.

I wish the Minister all the best at the Council, and hope that he will negotiate a sensible way to measure the 1.5 per cent. cod by-catch level.

9.53 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The hon. Member for Newbury (Mr. Benyon) was right to emphasise the Commission's Green Paper which shows the disaster that the fishing industry has become, with 88 per cent. of European stocks being fished beyond their maximum sustainable yields. He was also right to say that it is important to look at these matters from the consumer's point of view and, given that I represent Croydon, Central, I guess that that is the role that I am playing.

McDermotts restaurant in Croydon is one of the best fish restaurants in the south-east, and we also have the convenience of Top Fries. That may seem whimsical, but it is important to recognise that the fishing industry's impact goes all the way down to the high street, because it helps to keep the lights on in retail district centres.

We need to adopt a more radical approach to fishing policy. As the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) said, we need a system based on effort and not on the quotas that are so destructive. My suggestion is for a rather more dirigiste approach—a vessel monitoring system in which all vessels carry global positioning system technology so that the amount of time at sea can be restricted. Another possibility is the introduction of an electronic auction system, with operators buying the right to fish a given area for a set number of hours. That might be a more aggressive and determined approach, but I believe that Croydon residents who see the ecological disaster that is taking place think that such strong intervention is needed.

9.55 pm

Huw Irranca-Davies: I am surprised that I have so much time in which to speak. I will rattle though my speech, and I apologise to the House if the opening Front-Bench contributions were too long. I, too, would have welcomed more time for the debate.

I thank hon. Members for making thoughtful contributions, as they always do in such debates. We have covered CFP reform in all its myriad guises, and I welcome the common agreement in the House on the need for radical reform. I reiterate that the UK Government intend to continue to be right at the front end of that reform.

I welcome the ideas that have been put forward. The common themes that we heard included the need to move away from micro-management—I agree that it is absolutely bizarre that Ministers should sit into the early hours making decisions on twine thickness—and the requirement for fisheries' involvement that is based on good evidence and good science. With the continued support of hon. Members, I hope that we will be successful on some of those matters.

Many priorities have been suggested for the December Council, just as there were many asks during my earlier meeting with fisheries representatives from the whole of the UK. The EU-Norway negotiations will be important for mackerel, as well as for wider issues. The negotiations will be far more difficult this year, but we will continue to engage and fight hard on behalf of the UK's interests, including the interests of the devolved Administrations.

We have heard about the importance of the fleet to coastal communities and the divergent nature of our fleet in communities. We have also reflected on the importance of fisheries to processing and ancillary industries.

I must stress the need to work together. There is a strong and effective working relationship among Ministers in the devolved Administrations and me, as the England and UK Fisheries Minister. When we work together and speak with one voice on CFP reform and other negotiations, the UK's position is stronger. It is important that we recognise that and ensure that we take that approach at all times, as we do.

Good science and partnerships between science and fisheries are also important. As the weeks and months go by, I hope that we will have more ideas about how we can build on what is already being done well, including in the areas of hon. Members who have spoken. I talk to fishermen, and I sent some a video message in the past few days to congratulate them on the work that they were doing.

We have heard about the importance of the wide remit for people on the sea, including recreational sea anglers. We have also heard about the Marine and Coastal Access Act 2009, special areas of conservation and special protection areas, and the way to engage wide interests on the ground, including with regard to fisheries. Discards have also been discussed—we have heard about many issues in the contributions of hon. Members, for which I thank them.

We have largely sung from the same hymn sheet, but I cannot conclude without drawing attention to several discordant notes—I suspect that we are heading into the party political season—and I must correct some errors that were made. Unfortunately, although he made a good contribution, by and large, all the errors were in the speech by the hon. Member for Newbury (Mr. Benyon).

The hon. Gentleman was factually incorrect by referring to the environmentally responsible fishing pilot scheme as a stock assessment scheme. The ERF pilot was designed to provide evidence on the environmental and economic impact of segments of the onshore fleet—it was not a stock assessment scheme. It has provided hugely valuable data, and the findings will be published in due course. The scheme was originally meant to run from 6 August 2008 until 15 August 2009. In July, I made the decision to extend the scheme with the existing participants. Fishermen were warned in July, however, that the scheme could close at any time, and we closed it because we had obtained sufficient evidence. The data were being analysed on an ongoing basis, and we knew that the participation catch levels were higher than anticipated. In the interests of sustainable fisheries, I hope that the hon. Gentleman agrees that when a Minister recognises such a thing, he should stop a scheme.

Let me correct the hon. Gentleman's point about quota. Under the Hague preference, we gave some quota to the under-10 metres and some to the over-10 metres. Under the decommissioning scheme, however, it all went to the under-10s. He seemed to mix up latent capacity and unused quota, which is important for producers' organisations and some of the over-10s. They distribute that, including through swaps to the under-10s, and it is important that there is such flexibility.

The MMO has been fully engaged, and that process will be a success. The unions regularly come through my door. They will continue to do so, and I would hope that the hon. Gentleman would extend that invitation to them. I must congratulate him on summing up the Government's achievements—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Mr. Mudie.)*

Hon. Members: Object.

PETITIONS

Use of Premises (Essex)

10 pm

Bob Spink (Castle Point) (Ind): Residents have a right to enjoy their homes and environment in safety and without fear. It would not be helpful for me to go into too much detail, but sadly an illegal brothel has been established in a decent and respectable area in my constituency.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that it is not in order to go into very much detail if he is to conform to the Standing Orders of the House.

Bob Spink: On a point of order, Mr. Deputy Speaker. I understand that Standing Orders indicate that a Member presenting a petition may speak for a short period, typically one to two minutes, and I do not intend to go further than that.

Mr. Deputy Speaker: The point is that the hon. Gentleman has an opportunity to describe the contents of the petition, rather than make a speech in relation to it.

Bob Spink: Thank you, Mr. Deputy Speaker; I shall try to do that.

Fortunately, the police and Mr. Lawman of the council are seeking to deal with the matter, and I congratulate them on their action to support and protect residents. I am grateful, too, to all the residents who have shown that they care about our community by signing the petition, which will enable the authorities to end the abuse, because under section 17 of the relevant Act they need multiple complaints to apply for a court order. The petitioners deserve the support and protection of the House.

[Bob Spink]

The petition states:

The Petition of residents of Carlton Drive and surrounding areas,

Declares that a property in Carlton Drive is being used as an illegal brothel under the name A13 Bliss; that the Petitioners are deeply concerned about the impact of this activity in an otherwise quiet and respectable residential area, that they are further concerned about the danger and intimidation this brings to residents and young people in the area and that they welcome the actions of the Council and police to investigate and deal with this matter under the Sexual Offences Act 2003 and the so called Brothels Act 2007.

The Petitioners therefore request that the House of Commons implores the Government to encourage Castle Point Borough Council, Essex Police and HM Revenue and Customs, to take urgent and tough action to immediately end the improper use of the property in this otherwise quiet and respectable residential area and take appropriate action against anyone who is breaking the law.

And the Petitioners remain, etc.

[P000441]

Sri Lanka

10.3 pm

Mr. Dominic Grieve (Beaconsfield) (Con): This is a petition from more than 300 of my constituents from Beaconsfield and other locations, who declare their concern at the plight of more than 280,000 civilians displaced by the fighting in Sri Lanka.

The petition states:

The Petitioners therefore request that the House of Commons urges HM Government to press for the implementation of the following: the United Nations, International Red Cross and voluntary agencies must be given full access to care for and protect the civilians in the camps, and then help them to return to their traditional homeland in the north and east; a list of all those still alive and in custody should be published, so that families can stop searching for loved ones who are dead; any who continue to be detained as alleged LTTE combatants must be treated in accordance with the provisions of international law, and urgently given access to legal representation; accountability processes must be established to ensure that international aid is not diverted to purposes other than those for which it was given; UN monitors must be given free access to all parts of the island; there must be a full UN investigation into war crimes committed during the war.

Following is the full text of the petition:

[The Petition of constituents of Hon. Dominic Grieve MP for Beaconsfield and others,

Declares that following the end of hostilities in Sri Lanka as announced by President Mahinda Rajapakse, more than 280,000 Tamil civilians, including at least 50,000 children, remain detained indefinitely in cramped, squalid military run camps in the north of the island in breach of international law; further declares that there is a severe lack of medical and humanitarian aid for the needs of these wounded malnourished and severely traumatised war victims; further declares that with the current flooding, spread of diseases and the onset of the Monsoon rains the conditions in these already dilapidated camps will worsen drastically resulting in further deaths; further declares that the detained Tamil people are being held against their will, without any freedom of movement, with the intention of making these camps permanent; further declares that the traditional lands of these people are being colonised and illegally occupied by the armed forces; further declares that it is suspected that thousands of Tamils who are not accounted for are being detained incommunicado by the Sri Lankan armed forces; further declares that the perpetrators of war crimes and breaches of international law in Sri Lanka remain free from prosecution.

The Petitioners therefore request that the House of Commons urges HM Government to press for the implementation of the following: the United Nations, International Red Cross and voluntary agencies must be given full access to care for and protect the civilians in the camps, and then help them to return to their traditional homeland in the north and east; a list of all those still alive and in custody should be published, so that families can stop searching for loved ones who are dead; any who continue to be detained as alleged LTTE combatants must be treated in accordance with the provisions of international law, and urgently given access to legal representation; accountability processes must be established to ensure that international aid is not diverted to purposes other than those for which it was given; UN monitors must be given free access to all parts of the island; there must be a full UN investigation into war crimes committed during the war.

And the Petitioners remain, etc.]

[P000442]

Badman Report (Birmingham, Yardley)

10.4 pm

John Hemming (Birmingham, Yardley) (LD): I was impressed on Saturday by this petition, which came from people who share my concerns about the state wrongly intervening in family life. We may be seeing more such petitions.

The petition reads:

To the House of Commons.

The Petition of persons resident in the Birmingham, Yardley parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, proposed legislative measures providing for tighter registration and monitoring of children educated at home in the absence of a thorough independent inquiry into the condition and future of elective home education in England; but instead to take the steps necessary to ensure that the existing Elective Home Education Guidelines for Local Authorities are properly implemented, learning from current best practice, in all local authorities in England.

And the Petitioners remain, etc.

[P000443]

Lloyds Group (Aylesbury Vale)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Frank Roy.)*

10.6 pm

Mr. David Lidington (Aylesbury) (Con): I am grateful for the opportunity to bring before the House the impact on Aylesbury vale of job losses recently announced by the Lloyds Group.

The Lloyds Group is by far the biggest private sector employer in my constituency or in the wider Aylesbury vale district, which includes the parliamentary constituency of Mr. Speaker in Buckingham. Last week, Lloyds announced major job losses in Aylesbury. To some extent, this news was not surprising. Ever since Halifax-Bank of Scotland—HBOS—was hit by the credit crisis and forced to merge with Lloyds TSB, staff at the company, along with local business and political leaders, have had to live with uncertainty. It was always clear that that merger would lead to a review at some time of office locations and, on top of that, the impact of what is now the deepest and longest-lasting recession since the second world war has clearly reinforced the pressure on Lloyds to cut costs dramatically.

Even so, last week's news was shocking. The Lloyds Group currently employs more than 1,000 people in Aylesbury. Between now and April 2011, 810 full-time equivalent jobs will go. Of those posts, 570 will shift as a consequence of a decision by Lloyds to concentrate its operations in Edinburgh and Bristol, and a further 240 will be lost as a result of the decision by Equitable Life to move its contract for back office work from Lloyds to a different contractor, a decision which the chief executive of Equitable Life explained to me was taken because of a very significant saving he will be able to make on behalf of Equitable Life policyholders by that change of contractor.

When part-time workers are taken into account, the number of people directly affected will be larger than that figure of 810 full-time equivalent posts, and of course there is bound also to be a big knock-on effect on the wider local economy. Small and medium-sized businesses in Aylesbury which supply goods and services to Lloyds or which rely for sales on custom from Lloyds employees, most particularly during the lunchtime, are going to suffer badly.

In addition, we know that the squeeze on public sector spending already planned for in the Government's published figures, and which will take place irrespective of which party forms the Government after the next election, will lead to additional job losses in the town. More than 30 per cent. of jobs in Aylesbury vale district are in the public sector, mostly with Buckinghamshire county council, Aylesbury Vale district council and Stoke Mandeville hospital. The county council is already planning for about 500 job losses over the next couple of years, and the Buckinghamshire Hospitals Trust, which includes Stoke Mandeville, is implementing a programme of emergency savings to try to stay within its budget for the current financial year.

Earlier today, representatives of the Buckinghamshire education and learning partnership, which works on behalf of local business and education and training institutions, told me that the combined effect of the job losses at Lloyds and the county council alone would push up the claimant count in Aylesbury by 1.5 per cent. I acknowledge up front that, in spite of that devastating news last week about job losses, the rate of unemployment in Aylesbury, though it has risen sharply during the last year, is below the national average. However, to those employees who are directly affected, and to their families, that will be small comfort. What makes the decision by Lloyds still more worrying is the impact that it will have on plans to increase employment in Aylesbury and, more widely, in the Aylesbury Vale district in response to the Government's plans for significant new housing in the area.

In 2003, the Government identified Aylesbury vale as part of the Milton Keynes and south midlands growth area. The district has to make provision for just over 27,000 new homes by 2026, and the great majority of that new development will have to be achieved through the expansion of the town of Aylesbury. Ever since the sustainable communities plan was published, Ministers have argued that they want growth involving new homes and new jobs. The current regional plan assumes that, in the case of Aylesbury vale, there should be roughly one new job for each new home built, so a total of 21,000 to 22,000 new jobs will somehow have to be provided.

In previous Adjournment debates about growth plans for Aylesbury, I have said that even that provision is inadequate, given that in most households these days both the man and the woman work. What is surely clear, however, is that the Government's own declared objective of building a sustainable community is not compatible with development that turns Aylesbury increasingly into a dormitory town, especially given its relatively poor road infrastructure. We are already coping with significant traffic congestion problems, and in at least one location in the town an air quality management zone has been declared, because exhaust pollution breaches what are regarded as safe levels under European law.

Aylesbury is already a net exporter of labour—to the tune of roughly 20,000 people a day who travel somewhere else in order to work. Historically, its commercial growth has been a lot slower than that which will be needed to deliver the more than 21,000 jobs that the Government envisage in their regional plan. In recent years, the take-up rate of office space in the town of Aylesbury has been less than 5,000 square metres a year, equating roughly to an additional 350 office jobs annually. Even if additional employment in other industrial sectors is added to that office jobs total, the delivery of 21,000 or more new jobs by 2026 implies for the next decade and a half an industrial and commercial premises take-up rate that is way beyond those levels. It is unrealistic to expect that job creation on anything approaching that scale can come from indigenous growth. Rather, we will have to attract inward investment from elsewhere in Britain and from overseas—and on a scale that defies previous experience.

I wish to make a further point about the local economy. Aylesbury is often seen as linked either to the Thames valley and the M40/M4 corridor area of the south-east economy, or to Milton Keynes—or indeed to both. However, when we analyse the structure of Aylesbury's economy, we find that for a long time it has been less developed and less high-tech than either the Thames valley or Milton Keynes. It is also a town that has only a

[Mr. David Lidington]

very small number of big private sector employers. That means that the loss of Lloyds as a major employer will be even more keenly felt.

One of my fears, which is shared by many local business and political leaders, is that despite the good things we can all point to in what is happening in the Aylesbury economy, most notably the opening of the Peter Jones enterprise centre earlier this year, the impact of Lloyds very largely pulling out of the town will be to discourage other big employers from moving in.

Locally, Buckinghamshire county council, Aylesbury Vale district council, Aylesbury Vale Advantage—the local delivery vehicle, as the Minister knows—the Buckinghamshire economic and learning partnership and the South East England Development Agency are working together to try to mitigate the impact of the job losses announced last week and to provide help through the recession more generally. However, the Government's decision to designate Aylesbury as an area for significant new housing development means, in my view, that they have a clear responsibility to help.

I want to list a number of ways in which I believe the Government might be able to offer assistance. I say straight away that I do not expect the Minister to be able to give a definite answer this evening, but I hope that he will undertake to review the situation, to study the menu that I offer him, and perhaps other options, and then to write to me in due course with his detailed response. I accept, too, that there is little spare cash floating around and that much Government money will already have been allocated to particular programmes. I will therefore try to suggest ways in which relatively small sums of money—perhaps tweaks to existing Government programmes—could be effected in ways that would make a significant difference locally.

First, how do we help the 800-plus people who are going to lose their jobs, many of whom may have worked continuously for Lloyds or for its predecessor companies, HBOS and Equitable Life, for many years and have no recent experience of having to go out and search for work in the labour market? There are simply not sufficient local resources available to deal with the sheer scale of the job losses just announced. I would like the Government to allocate some of the funds already earmarked for the future jobs fund to give those people targeted and specific support to maximise their individual employment potential and make it possible for them to continue to contribute to the local and the national economy. Local organisations estimate that about £200,000 would be sufficient to provide the additional intensive support for those unemployed people that would be needed over the next 18 months.

Secondly, there are growth area funds. The Government have already budgeted for GAF to help to finance the delivery of homes and jobs in designated growth areas, but so far Aylesbury vale has done badly out of that funding. Like all the other growth areas, Aylesbury vale had a sizeable proportion—just under £2 million—of funding that the Government had provisionally allocated for next year withdrawn by the Department for Communities and Local Government in order to fund the so-called kick-start scheme for housing development. That clawback by the Department represented a reduction of almost half Aylesbury's original GAF budget for the next year and nearly 20 per cent. of the funding allocated over the entire three-year period.

As if to rub salt in the wound, Aylesbury vale then did not receive any of this funding back through the first round of the kick-start scheme, which was funded out of the money that the Government had decided to claw back. So Aylesbury lost out to other parts of the country, yet still faced and continues to face a major challenge of trying to deliver sustainable housing and employment growth in the current, very difficult economic climate. If all or even part of the GAF funding originally allocated to Aylesbury vale but then clawed back were now restored, those funds could be used to try to bring new jobs to the district.

Thirdly, poor links to the trunk road network are a major disincentive for employers to locate in or close to the town. Local agencies are currently supporting a bid to the regional infrastructure fund to finance the proposed eastern link road, a development that is essential to Aylesbury's ability to overcome the shortcomings in its transport infrastructure and attract new business. If built, the link not only ought to ease congestion within the town, an important objective in itself, but would unlock greater development potential and encourage more business investment in the Aylesbury area.

Fourthly, I would like the Government to accept the application made by Aylesbury Vale district council to be one of the pilot areas for the tax increment finance scheme. If they want to demonstrate that they have joined up their programmes to support and assist the growth areas that Ministers themselves have chosen to designate, they should choose Aylesbury as one of the successful pilots.

Fifthly, the Government have just announced plans to relocate many thousands of civil service jobs to places outside London. Although I believe that the priority in my constituency should be to strengthen private sector investment in Aylesbury, especially given the imbalances in the local economy that I have described, I hope that Ministers will consider the town as a potential destination for any departmental relocations.

Sixthly and finally, inward investment is essential if Aylesbury is to come near to providing the number of jobs necessary to support the residential development that the Government want. Access to key Government bodies such as UK Trade & Investment, and a readiness by central Government Departments to promote Aylesbury vale and its key commercial development sites, would strengthen the efforts already being made at local and regional level to identify and attract potential new investors.

I hope that the Minister will understand the gravity of the Lloyds announcement, its impact on the economy of my constituency and the seriousness with which the matter is regarded across party political boundaries in Aylesbury. I hope that the Government will consider seriously the proposals that I and a number of local agencies are making.

10.23 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): First, I congratulate the hon. Member for Aylesbury (Mr. Lidington) on securing this debate on an important subject and on the

way in which he has acted as a persuasive advocate on behalf of his community. Many of us in Parliament have of course experienced job losses in our communities during the past 18 months to two years, and they are always profoundly to be regretted. They have a profound effect on people's lives, and each individual is severely affected. He put across very strongly how his community has been affected, and I thank him both for the tone in which he approached the matter and the constructive way in which he made proposals to help his constituency at this difficult time. I sympathise profoundly with his constituents, and I want to do all I can to assist. I shall certainly examine his proposals closely.

The financial sector has of course been hit very hard indeed by the recession. Many people in it have lost their jobs, and others are still very concerned about their future. The job losses in Aylesbury are a reminder that, for many employees, these are very difficult times.

The Government have taken action in the past 18 months to avert the collapse of the banks. We wanted to ensure a strong, vibrant financial services sector in the future, with stronger and safer banks that are better able to support the recovery. As the hon. Gentleman said, Lloyds Banking Group, along with other banks, has benefited from a range of taxpayer support. In particular, the Government have a 43 per cent. stake in the bank, resulting from the sector-wide intervention in October 2008. That percentage will be maintained by the Government's subscribing to the Lloyds rights-issue later this month.

Government support for the banks is not unconditional. We have secured various commitments from Lloyds, and from the Royal Bank of Scotland, which has also been a major beneficiary of taxpayer support. They include commitments to increasing lending to businesses and home owners, to ensuring that customer charges are fair and transparent, and to deferring bonus payments. Of course, I recognise that that action is small consolation to the hon. Gentleman's constituents. He described his constituency as he alone knows it, and he described the importance of the financial sector to his constituency well. It was helpful to listen to his exposition.

We are of course, doing all we can to assist those who are losing their jobs in the major job loss in the Aylesbury area. It is worth pointing out that the timing of the redundancies will be phased; they will take place from mid-2010 until the end of 2011. In November 2008, we expanded the Jobcentre Plus rapid response service to offer support to every employer proposing 20 or more redundancies. That service can help employers to support their work force in difficult circumstances. Nationally, more than 3,000 employers have used the service since last November, and we have invested £12 million in the service for 2009-10.

In the south-east, the rapid response service has been extended to cover every person facing redundancy, entitling them to extra support and, in some cases, funding. Jobcentre Plus has been working with the South East England Development Agency, the Learning and Skills Council, the sector skills councils, the Government office and other partners to develop a recovery plan for major redundancies.

In Aylesbury, I know that SEEDA has already convened a local taskforce to provide assistance and advice for those affected by the Lloyds Banking Group redundancies. SEEDA is working in partnership with Aylesbury Vale district council, Buckinghamshire county council, the local economic and learning partnership, Business Link, the Learning and Skills Council, Lloyds Banking Group itself and, of course, Jobcentre Plus. That taskforce brings together all those national and local agencies, and will put in place a co-ordinated package of support, tailored to suit the needs of the people affected. It will include workshops for all employees, looking at curriculum vitae writing and interview skills, skills checks and job search advice. Given what the hon. Gentleman has said, I am conscious that many of the people affected will not have had to look for a job for a very long time. What is happening will be a profound shock to them, and it is important that they have assistance of the type I have mentioned in finding work.

We will also provide support for those who may be interested in becoming self-employed, as ever more people are nowadays. As a result of changes in the local economy, areas such as Aylesbury will of course benefit from innovation among their populations. Many of the people who lose their jobs in the redundancy will have advanced skills and will have much to offer, once they have the confidence and the assistance offered by those with specialist advice who will be available to help. The taskforce will also be organising recruitment days with potential employers that offer jobs in similar sectors, as well as offering job-matching with existing companies and working to try to bring new companies to the town.

Fortunately, Aylesbury has a relatively low level of unemployment—even in the context of Buckinghamshire, but certainly in the context of the national average. That is, I stress again, small consolation to those individuals concerned. I understand that SEEDA has been keeping the hon. Gentleman informed on progress. I am sure that he will keep a close eye on the development agency and on all the other organisations that I mentioned, to ensure that they are providing the type and level of support to which his constituents are entitled.

Partners in the south-east have a good and strong history of responding quickly and positively to large-scale redundancies. Similar local taskforces were set up to support those affected by job losses at Ford in Southampton and at Vestas on the Isle of Wight. In the first six weeks following the Vestas redundancies, 84 people found new jobs, 94 were in training and 157 had been helped through the action fund. I am sure that the people in Aylesbury will also benefit from the experience that has been built up. Unfortunately, we have had far more job losses than any of us would have liked to have seen over the past two years.

The withdrawal on such a scale of a flagship company will of course have a significant impact on Aylesbury, as it would on any community, but I am confident that there will be new opportunities in the area. SEEDA is working with the district and county councils to explore and promote opportunities for continued economic growth in the area. That will include providing assistance for local businesses with growth potential and securing new inward investment.

The hon. Gentleman referred to the growth programme in Aylesbury. The plans for housing growth in this and other locations are, of course, long-term. They reflect existing needs for new housing as well as housing needs that will arise in the future, primarily as a result of demographic change. It is all the more important that we plan for the future at these most difficult times, when

[Ian Lucas]

a significant job loss situation has been created, and that we provide affordable housing in the Aylesbury and Buckinghamshire area. The prosperity and future of the area will depend on growth within the local community and within industry, because growth will provide employment and opportunities and will enable the community to develop in a sustainable way.

I was very taken by the points that the hon. Gentleman made, and specifically by his constructive suggestions. He kindly indicated at the outset that he did not expect me to give him too many early Christmas boxes at this stage, but I will certainly consider the points he made. Some of them are not my Department's responsibility, but I will certainly relay them to my colleagues and ensure that they consider closely what specific help we can give to the Aylesbury area, in addition to the general help I have already described.

The situation is, of course, very difficult. I am sure that it is unusual for this scale of job losses to affect the community in the Aylesbury area. I am sure that it is a resilient community and it is well represented by the hon. Gentleman. I will consider closely the constructive proposals that he has made and I will write to him shortly on those matters. I thank him for bringing to the House's attention the position in Aylesbury and I look forward to working with him to try to assist his constituents.

Question put and agreed to.

10.34 pm

House adjourned.

House of Commons

Wednesday 2 December 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Gaza

1. **Mr. Hugo Swire** (East Devon) (Con): What his latest assessment is of the humanitarian situation in Gaza; and if he will make a statement. [303265]

4. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What his most recent assessment is of the humanitarian situation in Gaza; and if he will make a statement. [303268]

The Secretary of State for International Development (Mr. Douglas Alexander): The humanitarian situation in Gaza is extremely serious and will worsen now that the winter rains have started. Nearly a year after the conflict, 75 per cent. of Gazans still rely on some form of food aid, more than 60 per cent. do not have daily access to drinking water and 10 per cent. have no access to mains electricity. The United Kingdom continues to press Israel for full access to humanitarian aid in line with internationally accepted humanitarian principles.

Mr. Swire: What assessment has the Secretary of State made of the implications of the 18 million litres of raw and untreated sewage being discharged into the sea off Gaza for the population of Gaza and the surrounding environment?

Mr. Alexander: That is but one of the health consequences of the conditions currently being visited on the people of Gaza. As I said, we have made clear representations to the Israeli Government. Only yesterday, I spoke to Defence Minister Ehud Barak and pressed him for wider access to a range of humanitarian goods. The reconstruction effort that we all wanted to see after Operation Cast Lead has not been possible because of the constraints on access that continue to affect the community. The hon. Gentleman's point is well taken, and I can assure him that we take many opportunities to press the Israelis to ensure that the necessary reconstruction efforts are now made.

Mr. Carmichael: The Secretary of State will doubtless be aware that those seeking anything other than the most basic medical treatment in Gaza are required to travel abroad. However, in the period ending in June, no fewer than 40 per cent. of applications for travel permits for health care were refused by the Israeli Government. What pressure can he bring to bear to ensure that that situation improves?

Mr. Alexander: In recent days—as I said, only yesterday—I have spoken with Ehud Barak, and last week I met Mr. John Ging, the outstanding head of the United Nations Relief and Works Agency, who is doing genuinely heroic work in extraordinarily difficult circumstances in the Gaza strip. That is testimony to the continuing efforts that we are making through a range of different channels to press not simply for greater humanitarian access, but ultimately for the necessary political resolution to the situation in the middle east, which would facilitate the kind of movement that the hon. Gentleman suggests.

Dr. Brian Iddon (Bolton, South-East) (Lab): Is my right hon. Friend aware that 8,000 children in Gaza are without school desks, and will he facilitate the importation of the metal components necessary to complete the construction of the desks?

Mr. Alexander: We seem to be in the rather bizarre situation in which desk parts for UNRWA schools have now been permitted to enter—I understand that some deliveries have been allowed—but the fittings necessary to assemble those desks have not. That is but one example of the difficulties being suffered in Gaza at the moment as a result of the constraint on movement and access. As I said, I discussed that position recently with John Ging, the head of UNRWA, and we will continue to press the Israelis to admit educational materials.

Richard Burden (Birmingham, Northfield) (Lab): Some 50,000 homes are estimated to have been destroyed during the Israeli attacks on Gaza, but cement, panes of glass and steel girders are still not getting in to repair them. I appreciate what my right hon. Friend says about his meetings with Mr. Barak, but if the Israelis are not listening, what are we going to do about it?

Mr. Alexander: I have sympathy with my hon. Friend, who has great knowledge of the region and the challenges facing it. In some ways, the difficulty is exemplified by the issue of cement. John Ging told me that Hamas is building a watchtower opposite the Israeli watchtower at the crossings using cement that presumably has been smuggled in through the tunnels from Egypt. However, at the same time, the Israelis are denying the cement to rebuild the schools that will give the young people of Gaza exactly the opportunities that hon. Members on both sides of the House would want them to enjoy. That is why we are continuing to press the Israelis. However, with humility we recognise that that is not a task for the United Kingdom alone. The European Union and the United State have key jobs, which is why we continue to work in international forums to press the case for those humanitarian supplies to be allowed in for reconstruction to take place.

Alistair Burt (North-East Bedfordshire) (Con): What contribution does the Minister think might be made to ease the humanitarian situation by the release of Gilad Shalit, with all the possible implications for the improvement of relations should his captivity by Hamas be ended?

Mr. Alexander: Of course, we have called consistently on Hamas to release Gilad Shalit without further delays or any kind of conditions. Although we welcome the video tape released recently by Hamas, around 2 November, as part of the prisoner swap deal, the continued captivity of Gilad Shalit, as was discussed with me by Ehud Barak, the Israeli Defence Minister, is utterly unacceptable. Hamas has a clear responsibility to release him without delay.

Mr. Jim Devine (Livingston) (Lab): Is it not time that the international community got together and took sanctions against Israel for its behaviour?

Mr. Alexander: I think that there is wide recognition on both sides of the House that continued humanitarian efforts are needed to support the people of Gaza and, indeed, the west bank, given the difficulties that currently afflict them. Equally, however, most hon. Members recognise that ultimately the resolution in the middle east lies in politics. I believe that the challenge at the moment is to get behind the efforts being made—I am glad to say—by President Barack Obama and his team, in the first year of his presidency, to support and facilitate the emergence of a comprehensive middle east peace plan. That seems to be the most effective way in which we can buttress the humanitarian work on which we are engaged.

Tuberculosis Programmes

2. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What funding his Department provides to support national tuberculosis programmes in high-burden countries. [303266]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): The United Kingdom remains strongly committed to reducing death and suffering from tuberculosis and sees it as an important part of the global effort to improve the health of the poor. Our focus is the delivery of the global plan to stop TB, which aims to save 14 million lives. My Department combats TB through our contributions to multilateral organisations such as the World Health Organisation, partnerships such as Stop TB and the Global Fund, our bilateral programmes and our support for research.

Annette Brooke: I thank the Minister for his answer. Given that TB is a lead cause of death among those living with HIV, what proportion of that funding goes into supporting integrated services for people with TB and HIV, and what monitoring does his Department carry out on the impact of such funding?

Mr. Foster: The hon. Lady is absolutely correct to point out the clear links between tuberculosis and HIV. Some 15 per cent. of new TB cases are among people living with HIV/AIDS. That is why we are looking to invest £6 billion to 2015 in whole-health systems and services, so that we can get diagnosis and treatment not just for people with TB or HIV/AIDS, but for people with a range of health problems.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Although I welcome the Minister's reply, may I draw to his attention the fact that the World Health Organisation has indicated that only six out of 10 smear-positive tests are being undertaken, even though the problems are increasing? Does he agree that we should use all our influence to ensure that new diagnostic tools are used wherever that is possible?

Mr. Foster: My right hon. Friend is absolutely right to point out the need for the speedy diagnosis of TB. That is why I am pleased to say that we as a Department have committed to giving some €60 million a year to UNITAID, which is aiming to triple access to rapid tests for multi-drug resistant TB by 2011.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Given the Select Committee on International Development's criticism of the Government's failure to act on the interaction between HIV and not just tuberculosis, but malaria and other diseases, and given also the fact that his Department has informed the Committee that it collects data only every two years, can the Minister give the House a positive assurance that we will see full transparency on the issue, full performance measurements, an impact assessment and an emphasis on outputs, and not just financial inputs, which is the Government's norm on such problems?

Mr. Foster: I disagree with the hon. Gentleman that our focus is on inputs and not outputs. Nothing could be further from the truth. I would point out that if we are going to get the information that he requires in detail, it would mean health workers who provide primary care on a range of issues having to break down how they spend their time diagnosing TB on the one hand and, on the other, malaria, treating people with extreme forms of diarrhoea, and so on. The best thing that we can do is support whole-health systems to improve the health of a nation, particularly through an emphasis on primary care. That is what our £6 billion commitment is all about.

Gordon Banks (Ochil and South Perthshire) (Lab): What more can my hon. Friend do to increase international support for UNITAID and its ambition to increase accessibility to low-cost drugs for TB, malaria and AIDS, especially as yesterday was world AIDS day?

Mr. Foster: I am proud of my Department's record, with its contribution to investment in health, and UNITAID in particular. Next year's mid-term review of the millennium development goals might be an opportunity for our international partners to look at their contributions to development and perhaps take the opportunity to step up to the plate.

Afghanistan

3. **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): What recent assessment he has made of the effectiveness of his Department's activities in Afghanistan; and if he will make a statement. [303267]

The Secretary of State for International Development (Mr. Douglas Alexander): My Department's latest Afghanistan country programme evaluation was published in May this year. Although the challenges remain daunting, life for many Afghans is improving, with support from the United Kingdom and the international community. Indeed, a majority say that they are better off now than under the Taliban.

Mr. Lilley: I am grateful to the Secretary of State for his response. Can he reassure me that there is no longer any basis for the concerns expressed by some in the military and other observers that there was some difficulty

in achieving seamless working together between his Department and the military in bringing a better life to the people of Afghanistan?

Mr. Alexander: I hope that I can offer exactly the assurance that the right hon. Gentleman seeks. I will be seeing General Sir David Richards later this afternoon, which is but one example of the close working relationships that have been established. A staff member from my Department is currently heading the provincial reconstruction team in Helmand. Only yesterday I received word that we have two civilians working in each of the forward operating bases. We also have a significant number of civilians operating in Helmand. That was not the case several years ago. We have scaled up the operation and the joint working in Helmand over recent years, and I am confident that a genuinely comprehensive approach is being taken by all arms of the British Government.

Dr. Gavin Strang (Edinburgh, East) (Lab): The House will, of course, welcome my right hon. Friend's assurance that his Department is working with the military. It is right to focus on the military intervention, not least because of the announcements by the President of the United States and the British Prime Minister this week. I think my right hon. Friend the Secretary of State would accept that it is our military personnel who are at the sharp end. These are the people who ultimately have to help us win the argument on the farms and in the villages and towns hundreds of miles from Kabul. Will he assure us that he and his entire Department will be working to achieve this, because at the end of the day we have to win hearts and minds if we are going to make the progress that we all want.

Mr. Alexander: Again, I hope I can give my right hon. Friend the assurance he seeks. It is right to recognise that we need a greater military effort from the international coalition in support of the Afghan Government, which is why we welcome the statement made overnight at West Point by President Obama, but we all recognise—not least our own military commanders—that ultimately there is no military-only solution to the challenges faced in Afghanistan, which is why it is necessary to complement the military surge with a political surge. That is the thinking underlying the Prime Minister's announcement at the weekend that there will be an international conference hosted here in London on 28 January, which I believe will provide a further opportunity to set out our genuinely comprehensive approach, incorporating not simply the military aspects of the campaign but its civilian aspects.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is understandable that in the Prime Minister's statement to the House on Monday and President Obama's speech last night, the primary focus was on getting the right military strategy and resources in place in Afghanistan, but does the Secretary of State accept that since 2001 only 5 per cent. of international aid has been spent on agriculture, so we have an urgent need to fix not just the military strategy, but also the development strategy?

Mr. Alexander: I recognise that more needs to be done to co-ordinate the international effort. That has been a consistent message from the United Kingdom for some time now. I welcome the conversations that I have had in recent months with Richard Holbrooke, who is seized of exactly the issue that the hon. Gentleman raises in respect of the centrality and importance of agriculture both to the economic viability of Afghanistan and to counter-insurgency efforts. It is also right to set out for the House that we recognise that we confront twin challenges—the need both to weaken the Taliban, which is why we welcome the announcement from the United States, and to strengthen the Afghan state. Of course that begins with security, but it does not end with security. The provision of genuine economic opportunity by the Afghans for the Afghans is going to be a critical element in this campaign.

Lindsay Roy (Glenrothes) (Lab): The investment of the Department for International Development in education in Afghanistan is to be highly commended. What have been the most successful investment outcomes so far from that huge contribution?

Mr. Alexander: Perhaps the most simple and straightforward metric is the number of children enrolled in school. In 2001, 900,000 boys were enrolled in school and the Taliban had made it illegal for young girls to enjoy primary education. We are now comfortably beyond 5 million children enrolled in Afghan schools, and more than 2 million of them are young girls. That alone is testimony to the work we are taking forward through the Afghan reconstruction trust fund, which is paying teachers' salaries. The Taliban recognise that that poses a direct threat to their prospective future for Afghanistan, which is why they continue to behead teachers and to bomb and burn schools, but we are determined to support the Afghan people in the educational endeavours that I have described.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): In light of the Prime Minister's statement on Monday that there should be even greater co-operation between the military and DFID in Afghanistan, what changes to the Department's strategy in Helmand does the Secretary of State hope to see once the latest revision of the Helmand road map is completed?

Mr. Alexander: I have just explained to the House that I am meeting General Sir David Richards this afternoon, and the co-ordination that we are taking forward in Helmand will be one of the areas that we will discuss. We have to recognise that the effort in Helmand is not military alone; as the general recognises, a civilian component is also required. That civilian component involves supporting Governor Mangal and the provincial council in the efforts being made, for example, to transfer production from opium to wheat. It also involves ensuring that we support the primary health care being moved in. A great deal of work is being taken forward not just in Lashkar Gah, but also in the forward operating bases, and I will continue to keep these matters under review.

Mr. Lancaster: I am grateful to the Secretary of State for his answer, but he did not really make clear what changes he expects to take place. A report published recently by the London School of Economics' centre for civil society draws attention to claims by non-governmental organisations that foreign military strategies

for tackling insurgency with aid projects had "infringed upon the work" of NGOs and

"compromised their claims of independence and neutrality."

Given the Prime Minister's commitment to pressing for greater civilian-military co-operation in Afghanistan, does the Minister feel that such criticisms are justified?

Mr. Alexander: I am surprised that the hon. Gentleman does not recognise the centrality of security to the challenge of development in Helmand, not least given his experience of Afghanistan. Of course we must begin with the recognition that an insurgency is under way, the fulcrum of which is in Helmand at the moment. That is why it is vital for us to strengthen the security of not just the efforts of the international forces, but the Afghan Government themselves. Only when that space is secured will it be possible for the effective work that we want to take place to be fully maximised. I do not see this as being a trade-off between providing security and undertaking development: I think it vital for security to be secured so that development can take place.

Afghanistan Development Strategy

5. **John Robertson** (Glasgow, North-West) (Lab): What arrangements are in place to ensure that aid provided by his Department for Afghanistan is utilised in support of the priorities of the Afghanistan national development strategy. [303269]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): The four-year DFID Afghanistan country plan that we announced in April this year was subject to full consultation with the Government of Afghanistan. DFID is committed to spending at least 50 per cent. of its funds through Afghan Government systems. That ensures that our money is spent in a way that is in line with the priorities set out in the Afghan national development strategy.

John Robertson: Given the level of corruption that has been exposed in Afghanistan, how can we be sure that the United Kingdom taxpayers' money is being spent properly?

Mr. Foster: Corruption is indeed a serious problem, but money from my Department is channelled through the Afghan Government and is protected against misuse. Most of the resources that we give the Government are provided on a reimbursement basis, which means that funds are transferred to them only when it has been demonstrated that actual expenditure has taken place—that teachers' salaries have been paid, for instance—that the expenditure conforms to strict eligibility criteria, and that all the transactions are subject to full international audit.

Malcolm Bruce (Gordon) (LD): Can the Minister explain how the new United Kingdom aid logo will be deployed in Afghanistan, not least to ensure that the people of Afghanistan understand the development commitment of the British Government and the British taxpayer to the whole country, not just the areas in which we are engaging in military operations?

Mr. Foster: We are currently looking into how the UK aid logo will be distributed in countries across the world. However, there is real interest in using the logo in Afghanistan to demonstrate our commitment to and support for the people of the country, so that they see us as allies and not as conquerors.

Somaliland (Elections)

6. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What support his Department is giving to the authorities in Somaliland to assist in arrangements for elections. [303270]

The Minister of State, Department for International Development (Mr. Gareth Thomas): The United Kingdom, together with Sweden and Switzerland, is funding independent electoral experts to enable them to support the Somaliland national electoral commission. We will continue to urge the authorities in Somaliland to hold elections as soon as possible, once arrangements for them can be completed.

Alun Michael: I am sure my hon. Friend shares my satisfaction that progress is now being made towards holding effective presidential elections. Does he agree that whoever wins, it will be important to work further in developing parliamentary and democratic institutions in Somaliland, and will he and his Department help that progress following the presidential elections?

Mr. Thomas: I agree that whoever wins will need to continue to work with the international community and the people of Somaliland to improve governance there. We will certainly play our part if successful elections take place. We could provide further support to help to develop the economy of Somaliland, to improve access to basic services, and to address the root causes of the instability of which my right hon. Friend will be only too aware. *[Interruption.]*

Mr. Speaker: Order. There are still far too many private conversations taking place on both sides of the Chamber. It is very unfair to the hon. Member who is asking a question, and to the Minister who is answering it. The House needs to come to order.

Mr. Gary Streeter (South-West Devon) (Con): Is not one of the greatest investments that this country can make in many developing countries, including Somaliland, the establishment of good governance and stable democracy? Will the Minister ensure that the Westminster Foundation for Democracy is funded adequately, given that it does precisely that?

Mr. Thomas: I agree that one way in which the international community can help to encourage development in developing countries is by promoting good governance. That is one reason why the Department's third White Paper focused on this issue, and why the most recent White Paper continued to highlight our work on good governance. I have had a series of discussions about the Westminster Foundation for Democracy, as have other Ministers. If the hon. Gentleman has particular concerns about how it is being financed, I will be very happy to meet him to discuss them.

Climate Change (Africa)

7. **Bob Spink** (Castle Point) (Ind): What steps his Department is taking to assist African countries to mitigate the effects of climate change on them. [303271]

The Minister of State, Department for International Development (Mr. Gareth Thomas): We provide assistance through our country programmes, as well as through multilateral partners, to help African countries deal with the increased threats from water shortages, natural disasters, reduced agricultural production and changing patterns of disease.

Bob Spink: Africa did not cause the climate change problem and is not exacerbating it now, but it will suffer more than most continents from its consequences. Will the Minister have discussions with his colleagues to ensure that Africa's problems, and its need to mitigate and adapt, are taken fully into account at Copenhagen, and that Africa is given the help it needs and deserves?

Mr. Thomas: I find myself in the unusual position of agreeing with the hon. Gentleman. Africa certainly was not responsible for causing climate change. He is absolutely right to highlight the importance of the Copenhagen talks and the need for the international community to provide additional finance to the end that he mentions. My right hon. Friend the Secretary of State will be attending the talks to help highlight, with other development Ministers, the need for the international community to do exactly what the hon. Gentleman has suggested: to provide more support to countries across the world who are in need of such additional finance.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My hon. Friend is right to highlight the need for international co-operation, particularly in respect of mitigation funds. As he knows, east Africa and other places are already suffering from the lack of rains for the past three or four years. What steps can he and his colleagues in the Government take to ensure that our international partners fund to the right level the commitments they have already made? I ask that because we know that in previous deals the money has not been on the table despite the promises. Can the Minister assure us that that funding will now be in place, and that it will be ensured that countries are tied in to giving the money that they have already promised?

Mr. Thomas: As my hon. Friend is aware, that is an essential part of the deal that we want to achieve at Copenhagen and beyond. My right hon. Friend the Prime Minister has pressed the international community to agree a package of support to 2020, rising to $100 billion of both private and public finance to help developing countries adapt to, and mitigate, the impacts of climate change. The Prime Minister and the Secretary of State, who is now going to the climate change talks, will continue to press our position on this issue.

West Bank (Economy)

8. **Rosie Cooper** (West Lancashire) (Lab): What projects his Department is funding to assist the Palestinian economy in the west bank; and if he will make a statement. [303272]

The Secretary of State for International Development (Mr. Douglas Alexander): We are providing £3 million over three years to the facility for new market development, which helps Palestinian businesses develop new products and compete in new markets. To date, the facility has supported more than 180 businesses. We are also working closely with the Palestinian Investment Promotion Agency and UK Trade & Investment to promote investment in the occupied Palestinian territories.

Rosie Cooper: In light of the welcome decision to open the Jalama crossing to vehicles, what steps is Israel taking to reduce restrictions and encourage economic growth in the west bank? I would be grateful if the Secretary of State could also say what measures are being taken to support the delivery of basic public services to the people.

Mr. Alexander: We welcome the recent moves by the Israeli Government to reduce movement and access restrictions across the west bank. We believe these steps are essential if there is to be the economic progress that is required to address the 34 per cent. fall in per capita GDP over the last nine years. We are also continuing to support the Palestinian Authority, both in their provision of basic services and as a credible negotiating partner to the state of Israel.

Sir Patrick Cormack (South Staffordshire) (Con): Bearing in mind both this and the earlier exchanges, will the Secretary of State take an early opportunity to inform the Israeli ambassador that nothing could better enhance the reputation of his country than Israel beginning to behave as a good neighbour?

Mr. Alexander: I assure the hon. Gentleman that we have regular contact with not only the Israeli ambassador, but all levels of the Israeli Government. As recently as yesterday, I took the opportunity to discuss not only the situation in Gaza, but, more generally, the situation in the middle east with Ehud Barak, the Israeli Defence Minister. That reflects the continuing dialogue that takes place on these important issues.

Global Warming (Bangladesh)

9. **Julie Morgan** (Cardiff, North) (Lab): What discussions he has had with the Government of Bangladesh on aid to tackle the environmental effects on that country of global warming. [303273]

The Minister of State, Department for International Development (Mr. Gareth Thomas): The UK works closely with the Government of Bangladesh on climate change issues. We are, for example, playing a role in advising and assisting the Bangladesh delegation in its preparations for the Copenhagen meeting next month.

Julie Morgan: I thank the Minister for that reply. Earlier in the year, I visited Bangladesh with the Nationwide Association for Integrated Development—NAID—which is a small charity working between Wales and Bangladesh. I saw at first hand the effects of the flooding, the droughts and the cyclones; the poorest people in the country were being affected. What more can he do to help the people of Bangladesh, especially given that one fifth of the country could disappear if the sea level rises by 1 metre?

Mr. Thomas: My hon. Friend is right to highlight the particular challenges relating to climate change in Bangladesh; more than 30 million people in that country could be affected by rises in sea level. That is one reason why my right hon. Friends the Prime Minister and the Secretary of State for International Development are continuing to press for further climate finance to be made available to help developing countries such as Bangladesh.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [303208] **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): If he will list his official engagements for Wednesday 2 December.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will wish to join me in paying tribute to Acting Sergeant John Amer, from 1st Battalion Coldstream Guards. We owe him a huge debt of gratitude, and our thoughts are with his family and friends. As we plan a way forward in Afghanistan, this loss in Afghanistan reminds us of the risks and dangers our forces have to endure in Afghanistan, today and every day, and of the importance of securing peace and stability. After talks with President Obama, I can also report that the London conference on Afghanistan will make decisions on civil co-ordination in Afghanistan, and will hear commitments by coalition partners on extra troops and from President Karzai on Afghan reform.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings today.

Dr. Naysmith: In associating myself with the Prime Minister's condolences to the family and friends of Acting Sergeant John Amer, I know that I am speaking for every Member of the House.

Following recent events in the Colchester and Basildon hospital trusts, does my right hon. Friend agree with me, with the Secretary of State for Health and with a recent report of the Select Committee on Health that the major priority of the national health service must be patient safety?

The Prime Minister: Patient safety is and has to be our No. 1 priority, and there is no excuse for anything other than the best care and no tolerance for the failure of management. I am sorry when any patient receives less than the best care and help in the NHS. As a result of our studies of the NHS, we have introduced independent regulation, we have introduced transparency so that information flows to the patients and we have set up the Care Quality Commission, which from next year will register all hospitals and set clear safety standards that they will have to meet continuously. I can say today that our objective is that that process will start not from April, but from January, and that we will do everything in our power to have hospitals deal with hospital-acquired diseases and make sure that people have the best care at all times. There has been a 7 per cent. fall in mortality overall in our hospitals and a 50 per cent. fall in MRSA. We will continue to do everything in our power to make our hospitals clean, safe and secure for all patients.

Mr. David Cameron (Witney) (Con): May I join the Prime Minister and everyone in this House in paying tribute to Acting Sergeant John Amer, who died this week in Afghanistan? He gave his life to protect our country. We should honour his memory. We should care for his family.

Before I go on to other subjects, may I ask a couple of questions about Afghanistan? Following President Obama's very welcome speech last night, the British people will want to know what the US surge means for British forces. I think we all accept that one of the problems has been that British troops have been spread too thinly over too much ground. Will the US reinforcement mean that we will be able to have more of our forces concentrated in fewer places, so that they can protect the population more effectively and turn the tide against the Taliban?

The Prime Minister: First, I think that the whole House will welcome the announcement by President Obama both of the objectives of the mission in relation to the Taliban and to al-Qaeda, and of the numbers of troops, a substantial part of whom will go into Helmand province and will be of assistance in dealing with the Taliban insurgency there. I said on Monday that our troops would go in immediately so that they were more densely concentrated in the areas where there has been the greatest problem. I said that from January some of our troops would be involved in the vital task of partnering and mentoring the Afghan forces. I believe that at the moment there is something in the order of 200,000 Afghan, British, American and coalition troops in Afghanistan. By the end of next year and the beginning of 2011, the number will be in excess of 300,000. That will make it possible for us to transfer the control of some districts and provinces to Afghan security control starting in 2010.

Mr. Cameron: The Prime Minister specifically spoke about this transfer of provinces in 2010 and I want to ask him about this. At the weekend, he said that he was considering transferring

"at least five Afghan provinces to lead Afghan control by the end of 2010",

including parts of Helmand. This was widely interpreted as a commitment to start the withdrawal of British troops in 2010.

The Prime Minister *indicated dissent.*

Mr. Cameron: The Prime Minister shakes his head, but that is how it was reported on every single media outlet. This will be a good opportunity for the Prime Minister to clarify the issue. President Obama said that the process of transferring forces out of Afghanistan would not even begin until the middle of 2011. It is important that we do not give false expectations to British troops or mixed messages to anybody else. Will the Prime Minister clarify whether he would expect British troop numbers to start reducing in 2010 or 2011?

The Prime Minister: I made it absolutely clear at the press conference—if the right hon. Gentleman had read the full transcript of it, he would know—that there was no question of our withdrawing our British troops until the point at which we were sure that the Afghans could take over security control themselves. Even if one or two parts of a district or province are transferred in 2010, we will continue to have our troops in Afghanistan

at that point. My point earlier was that by 2011 there will be more than 300,000 Afghan, American, British and coalition troops. That is the point at which the balance between Afghan forces and British, American and coalition troops will start to change. We should recognise that it is absolutely crucial for our Afghanisation strategy that the Afghans start to take control of security as soon as possible. It is also absolutely crucial that we are assured that the Afghan troops are properly trained and therefore partnered with British forces. That will happen during the course of 2010. I can assure the right hon. Gentleman that we will stay and do the job that is necessary. I believe that when people in Britain see the facts of the Taliban threat and the problems with al-Qaeda, they will support what we, the Government, have done with 43 coalition partners.

Mr. Cameron: That does sound more like the 2011 date that President Obama was talking about. The clarification is welcome.

Let me turn to the economy. Will the Prime Minister confirm that figures last week show this Britain is the last country not just in the G7 but in the entire G20 to move out of recession?

The Prime Minister: No, they do not confirm that. Spain is a member of the G20 now and it is in recession. Six European countries that are part of the European Union or part of the continent are in recession. I have to say to the right hon. Gentleman that the purpose of asking this question must be that he either has policy that he wishes to put forward so that we can do better, or he is simply talking down Britain.

Mr. Cameron: The fact is that it is the right hon. Gentleman's policies that have given us the longest and deepest recession in our history. Only this Prime Minister thinks that we should all be pathetically grateful for this long and deep recession, and that he has somehow led the world when he has left Britain behind. He is normally fond of reading out lists of countries. Australia, Canada, Turkey and Brazil all went into recession after Britain, but they came out before Britain. France and Germany went into recession at the same time as Britain, yet they came out before us. Will the Prime Minister answer this question? Given that all those countries are now in growth and that we are not in growth, can he tell us what on earth he meant when he said that we were

"leading the rest of the world…out of recession"—[*Official Report*, 3 June 2009; Vol. 493, c. 268.]?

The Prime Minister: Not one policy from the Leader of the Opposition! We have taken action to restructure the banks and nationalise Northern Rock—opposed by the Opposition. We have taken action for a fiscal stimulus—opposed by the Opposition. We have taken action to keep unemployment down as a result of creating jobs—opposed by the Opposition. We have taken action for international co-operation—opposed by the Opposition. They have been wrong on the recession and they will be wrong on the recovery. The voice may be that of a modern public relations man, but the mindset is that of the 1930s.

Mr. Cameron: That one must have sounded great in the bunker. The fact is that the one policy that this country needs above all is a credible programme for getting the biggest budget deficit in the G20 under control. That is the view of the Governor of the Bank of England and he says they have not got a credible plan to get the deficit under control. *[Interruption.]*

Mr. Speaker: Order. Government Back Benchers need to simmer down a little.

Mr. Cameron: It is not just Back Benchers, Mr. Speaker—the Secretary of State for Children, Schools and Families is up to his old tricks again. You would have thought that he would want to spend more time in his ultra-marginal constituency, but perhaps he agrees with us that the more he meets people, the more likely we are to win it.

Let us look at the Prime Minister's three central claims: the claim that we were better prepared than other countries—that was wrong; our deficit was worse than other countries—the claim that Britain was leading the world out of recession, but we are still in recession; and the claim that he had abolished boom and bust, which is absolute rubbish. Is it not the case that his three biggest claims are his three biggest failures?

The Prime Minister: The more he talks, the less he actually says. Nothing about policy. We have helped 200,000 businesses in this country, we have helped half a million people stay out of unemployment and we are helping people who have problems with mortgage arrears. If he wanted to reduce the deficit, why does he persist with his inheritance tax policy that would cost £1 billion? Why does he have a domestic tax policy which is to help his friends with inheritance tax cuts and a global tax policy to help non-domiciled candidates avoid any tax whatsoever?

Mr. Cameron: As the Prime Minister has raised the issue of inheritance tax, perhaps he could answer— *[Interruption.]*

Mr. Speaker: Order. Mr. Bradshaw, you are a very senior Member. I say to the right hon. Gentleman and to all Members that the more noise there is, the fewer the opportunities for Back Benchers to take part.

Mr. Cameron: Thank you, Mr. Speaker. That is another one who should be defending his marginal constituency.

Let the Prime Minister answer this very simple question. The only person who has made a specific pledge—not just a pledge or a promise, but in legislation—to reduce inheritance tax in the coming Budget is the Prime Minister; he legislated to raise the threshold from £325,000 to £350,000. Perhaps he can tell us now: is he still planning to do that? We would like an answer.

The Prime Minister: It is interesting that this exchange started with the great ideas of economic policy and the right hon. Gentleman has ended up having to defend his own policy on inheritance tax. The question he has to answer and the issue that concerns the whole country is that inheritance tax cuts for millionaires will cost us nearly £2 billion that we should be spending on public services. The issue for the country is this: is it public services for the many or inheritance tax cuts for the few? I have to say, that with him and Mr. Goldsmith, their inheritance tax policy seems to have been dreamed up on the playing fields of Eton.

Hon. Members: More!

Mr. Speaker: Order. I am very glad that Members are enjoying themselves. They all seem to have had a very hearty breakfast.

Lynda Waltho (Stourbridge) (Lab): Follow that! Will my right hon. Friend congratulate Avon Global Ambassador Reese Witherspoon and the domestic charity Refuge who, along with me, today launched their "Four Ways to Speak Out Against Domestic Violence" campaign? Will he reassure me that the Government will continue to concentrate policy and resources on attacking this most evil and cowardly of crimes?

The Prime Minister: I am grateful to my hon. Friend. She has led the way in urging us as a Government and our country to take seriously the issue of domestic violence. Last week, the Government launched our strategy to tackle all forms of violence against women. I believe that we have made real progress, but a great deal has to be done. There has been a 64 per cent. reduction in domestic violence, and we are bringing more criminal cases to court but we need to do more. I am very grateful that Reese Witherspoon is leading this campaign. She spoke movingly at the funeral of Anthony Minghella, and I welcome her to the House today.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions of sympathy and condolence to the family and friends of Acting Sergeant John Amer of 1st Battalion Coldstream Guards, who tragically lost his life serving in Afghanistan on Monday.

President Obama's speech last night on his new strategy in Afghanistan is immensely important. He has set a very tight timetable indeed for this new military strategy and surge to have an effect. Given that tight timetable, does the Prime Minister agree that it is all the more important not to over-rely on President Karzai? President Obama said last night that the best way forward is to get tough on Karzai but, given Karzai's previous record and that two of his vice-presidents are ex-warlords, does the Prime Minister not think that it would be better to have a strategy of working around President Karzai and relying on local and regional political leadership instead?

The Prime Minister: President Obama will be grateful for the right hon. Gentleman's endorsement. He is absolutely right that we have both to weaken the Taliban and strengthen the Afghan state. The actions that we are taking with troops to deal with the insurgency are important but, as he rightly recognises, so too is building up the strength of the Afghan army and police, and its local government and national Government. As President Obama said last night, there is no blank cheque for President Karzai, who has to take the action that is necessary. That is why I said earlier today that the London conference on 28 January, which President Karzai will attend, will be a chance for him to set out the further reforms that he has to make to make the army and police more efficient, to make sure that the Government are free of corruption and to build up stronger local and provincial government.

Mr. Clegg: Will the Prime Minister confirm whether the powers around Afghanistan—Russia, China and, yes, even Iran—might be involved in the London conference to which he just referred? Without regional backing, it will be very difficult to create stability within Afghanistan. President Obama was silent on this crucial regional dimension in his speech last night. Will the Prime Minister tell us whether that is being taken forward, and perhaps give us a feel for what steps are being taken to involve those other countries in the region?

The Prime Minister: I am grateful to the right hon. Gentleman because, as he recognises, the military surge must be matched by a political and a diplomatic surge. It will be no use for the future of Afghanistan if there is no security around Afghanistan with its neighbours. That is why they have a very important role to play in the future—in guaranteeing non-interference in Afghans' affairs, in building up the links that are necessary for Afghan trade, industry and commerce to flourish, and also in stopping the flow of weapons into Afghanistan. So yes, it is right for us to invite regional powers to the London conference.

Ms Celia Barlow (Hove) (Lab): Will the Prime Minister join me in marking 60 years since the British surgeon Sir Harold Ridley commissioned my Hove company, Rayner Opticians, to produce the first intraocular lens? Will he also congratulate the company on receiving the Queen's Award for Enterprise on Friday, and on the fact that it still works with charities across the world in restoring sight?

The Prime Minister: In my hon. Friend's constituency, there are many excellent companies, and one of them is Rayner. I want to congratulate all those who have contributed to the success of ophthalmic medicine over the past few years. The inventions that have come from Britain are truly wonderful. We should be very proud of our British scientists and engineers, but also very proud of our medical researchers and medical firms.

Q2. [303209] **Mr. Ben Wallace** (Lancaster and Wyre) (Con): Recently revealed figures show that, since 2001, 140 inmates have been allowed to die of cancer while serving their sentences in UK jails. In the light of the Business Secretary's recent country sports activity, is there, under this Government, one rule for British inmates and another one for Libyan mass murderers?

The Prime Minister: As the hon. Gentleman knows, the decision on Libya was made by the Scottish Administration. It was their decision to make; it was not our decision to make.

Q3. [303210] **Roger Berry** (Kingswood) (Lab): My constituents are extremely concerned about the impact of global warming and want speedy action to deal with it, unlike some senior Opposition Members and their European allies. Will my right hon. Friend assure the House that he has been doing everything possible, so that both developed and developing countries can look to a deal at Copenhagen?

The Prime Minister: We are in the happy position of being able to work with the rest of Europe to get a climate change agreement and to work as Europe with the rest of the world to make sure that we can move forward. The talks that are taking place now, including at the Commonwealth conference, are a desire to bring

together the richest countries, which will have to contribute to a climate change deal financially as well as with bold and ambitious targets, and the developing countries, which we want to make progress, but which we will have to be able to help. I am pleased that we have agreed—I believe that America and Europe will also agree with the Commonwealth—on a £10 billion start-up fund to help the poorest countries immediately to move on mitigation and adaptation. We have to make sure that the intermediate targets that the major countries will propose are sufficiently ambitious for us not only to meet our target, in 2050, of a 50 per cent. reduction, but to be making big progress through to 2020. Britain will play its part. I know that the European Union will play its part. We look forward to successful negotiations in Copenhagen, and I hope that, despite doubts expressed from some parts of the Opposition, there will be all-party support for that deal.

Q4. [303211] **Miss Anne McIntosh** (Vale of York) (Con): In July 2007, the Prime Minister promised that no local authority would be out of pocket in recovering from the summer floods. Collectively, they had a shortfall of £50 million. What promise will he give to the people of Cumbria that they will similarly not face a shortfall in the recovery from the floods this year?

The Prime Minister: I understand from the Secretary of State for Environment, Food and Rural Affairs, who is with me on the Front Bench, that 100 per cent. of the clean-up costs were actually made available, but I also understand that the Environment Agency and the local district council have developed proposals for a flood defence scheme in Thirsk and are working up proposals to secure funding for that scheme.

I have to say that investment in flood management is higher than ever. We saw the benefits of it in Carlisle and in surrounding areas, as a result of flood defence investment, and the grants that we are making to the Environment Agency to tackle flooding have increased from £500 million in 2007 to £659 million in 2010-11. I assure the hon. Lady that her constituency case is being dealt with, but I think that she should see the wider investment that we are making in flood defences.

Chris Ruane (Vale of Clwyd) (Lab): Does the Prime Minister agree that the policy of growing and not cutting our way out of recession is beginning to show results? *[Interruption.]* Hold on; I have not finished yet. If we adopted the policy of immediate and savage cuts, advocated by the dynamic duo over there, the economy would be in a right old Eton mess.

The Prime Minister: The shadow, shadow Chancellor has always recognised that we need to do more to get ourselves out of recession, and I believe that the action that we are taking to help small businesses, to help those people who are unemployed back into work, to advance capital investment so that we have big construction projects going ahead, and of course to help home owners is the action that every other country in the world, including every other country in Europe, supports. It is only unfortunate that the Leader of the Opposition and the shadow Chancellor are even set against the shadow, shadow Chancellor in trying to deal with this problem.

Q5. [303212] **Malcolm Bruce** (Gordon) (LD): When the Prime Minister goes to Copenhagen next week, will he not recognise that securing a commitment to the £100 billion fund that he is looking for in 2020 will be essential to securing a deal from the developing countries? But at the same time, will he reflect that, given the floods that we have in this country—in Cumbria, in Huntly in my constituency and elsewhere—we need a partnership between the Government and the insurance industry to ensure that we have the means to cope with climate change? Local authorities in the present climate will not be able to do it alone.

The Prime Minister: The right hon. Gentleman is Chairman of the International Development Committee and I am grateful for what he says about the climate change conference and the need to help the poorest countries. Our policy is to deal with climate change at home and abroad. There should be no doubt about the scientific evidence before us that shows the need to act on climate change. I thought we had moved beyond that argument to looking at what we need to do. At home we will continue to invest in a low-carbon economy, and I believe that in the pre-Budget report next week, the right hon. Gentleman will see action to move forward that investment so that we are a low-carbon economy of the future, one that can lead the world. Abroad, it is important that we make sure that there is sufficient finance for developing countries to enable them to come to a deal in Copenhagen in a few days' time. We already have agreement on start-up finance. We now need to get an agreement on how we can move forward that finance over a period of years.

Mr. Tom Harris (Glasgow, South) (Lab): Does the Prime Minister believe that every candidate who stands for election to the House should pay taxes in this country?

The Prime Minister: Yes.

Q6. [303213] **Gregory Barker** (Bexhill and Battle) (Con): For the first time in 50 years, the key economic portfolio in the European Commission has gone to France. President Sarkozy proudly told Reuters:

"The English are the big losers in this business."

Why did the Prime Minister fail to win it for Britain?

The Prime Minister: If the hon. Gentleman looks at the policy that is being adopted by the European Union—it is discussing today the policy on financial services—and at the policy that is being adopted on the economy generally, it is British proposals, British influence and British policies that are making a difference. That is the advantage of being at the heart of Europe. If we took the advice of the hon. Gentleman and his party, we would be on the fringe of Europe, isolated, dealing with minority parties and unable to change the course of the debate. That is not the position that we are in.

Q7. [303214] **Mr. Dai Havard** (Merthyr Tydfil and Rhymney) (Lab): My right hon. Friend will know that there is a need to change legislation for the civil service compensation scheme. He will also know that this is being used by the permanent secretaries' dining club as an opportunity to propose slashes to the entitlement of

lower paid civil servants in the event of redundancy. Will he please give an assurance that no device such as a statutory instrument, which I believe it is proposed to table on the last day before the Christmas recess, will be introduced in the House to operate such a scheme from 1 January? Will he ensure that no legislation is introduced until a new agreement is established with the unions concerned?

The Prime Minister: My hon. Friend will find that there is extra protection for the lowest paid civil servants, as well as ensuring that all the savings that the Government have committed to will be achieved, but I cannot defend a system where there is six times the ordinary salary for civil servants at the very top who take voluntary retirement. That system must change, and it will change.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Given the £100 million raid on Welsh lottery funds and the non-Barnettising of the cost of the Olympics, what can the people of Wales realistically expect for the £427 million that they are paying for the London Olympics?

The Prime Minister: Let me first congratulate the new leader of the Welsh Labour party and the prospective First Minister of Wales, Carwyn Jones. I believe that he will be an excellent leader.

Over the past 12 years, expenditure on Wales has grown markedly as a result of the decisions of a Labour Government. The hon. Gentleman should be grateful that there is additional expenditure on health, education, sports and culture in Wales. We will continue to honour our commitments to the people of Wales.

Q8. [303215] **Shona McIsaac** (Cleethorpes) (Lab): The Bounce Back campaign launched by the *Grimsby Telegraph* aims to unite businesses and organisations so that our area is on the right road to recovery following the recession. Will my right hon. Friend endorse that initiative and say a few sharp words to Opposition Members who continue to talk down our country?

The Prime Minister: It is important to recognise all the local efforts that are being made, including in Cleethorpes, by the business campaign to fight for a recovery for our country. They are fighting to get local business, to invest in future businesses and to help young people get jobs and take on more apprenticeships. This is what people in Britain want to do to help us get through the recession and get to recovery, but it is possible only by having a policy to invest additional money to take us through a most difficult time when markets fail and banks falter. That is the policy that we have pursued, and it is pursued by every other country. It is, I repeat, unfortunate that it is not supported by the Opposition.

Mr. Tim Yeo (South Suffolk) (Con): As next week's pre-Budget report coincides with the start of the climate change talks in Copenhagen, has the Prime Minister instructed the Chancellor to reverse the fall in green taxes that took place in the 10 years when the Prime Minister himself was Chancellor? Does he now accept that a tax is only a green tax if its primary purpose is to change behaviour and not to raise revenue?

The Prime Minister: I do not think that the hon. Gentleman is proposing VAT on fuel, is he? I do not think that the Conservative party wants to raise VAT on fuel. What we have done is introduce a climate change levy, and we have introduced air passenger tax at a higher rate. We have taken measures that are necessary to deal with the problems of the environment and to reduce carbon emissions, and we are taking measures that are in line with what is happening in other countries. But if he wants us to put VAT on fuel, I will oppose him.

Q9. [303216] **Julie Morgan** (Cardiff, North) (Lab): I was pleased to read over the weekend that the Government are considering moving many of the 130,000 civil service jobs in London and the south-east out to areas where the need is greater. Will my right hon. Friend consider my constituency of Cardiff, North as a destination for more civil service jobs, bearing in mind that the Revenue and Customs building in Llanishen has six empty floors?

The Prime Minister: Cardiff, North is an excellent location for new work and new jobs. As of December 2008, over 3,000 posts have been reallocated from London and the south-east to Wales, and nearly 300 have gone to Cardiff. We want to help areas by creating jobs, not causing unemployment.

Sir Peter Tapsell (Louth and Horncastle) (Con): The Prime Minister has just told us how he hopes that in a couple of years' time we will have 300,000 troops fighting the Taliban. As that happens to be exactly the number that I told the Government they would need when they first recklessly went in with hopelessly inadequate numbers of troops, who were grossly under-equipped, should he not now resign?

The Prime Minister: President Obama will be grateful for the hon. Gentleman's endorsement of our strategy. The figure of 300,000 means that about 150,000 Afghan troops are trained and ready to take over responsibility, and that is the task over the next year—to train up more Afghan forces. I am very grateful that President Obama has made that the centre of his proposals. That is what our British forces will do, with all the coalition partners. Can I thank the hon. Gentleman again for his advice? He has not always been right: he advised me not to make the Bank of England independent.

Q10. [303217] **Lindsay Roy** (Glenrothes) (Lab): Does my right hon. Friend believe that the Post Office should expand its role in banking, particularly in children's banking, and introduce a wider range of financial services to help sustain the post office network?

The Prime Minister: The services proposed are a Post Office current account, a children's saving account, new services for small business, including a Post Office business account, and a weekly budgeting account for those on low incomes to take advantage of direct debits and reduce bills. Once again, we are taking an institution that is well established in the country and giving it a new purpose serving the whole community. This is what a Labour Government do.

Points of Order

12.33 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): On a point of order, Mr. Speaker. Yesterday, in a Westminster Hall debate about proportional representation, the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills), gave us a guarantee that the Government would not go ahead with plans for a change to the voting system until after the election—so that they would be re-elected to office. In *The Times* newspaper today, they state that the Prime Minister is determined to table an amendment to the Constitutional Reform and Governance Bill in this Session to bring forward a referendum on the issue. Will you, Mr. Speaker, use your good offices to ensure that the Minister explains properly to us their intentions in that matter?

Mr. Speaker: I am grateful to the hon. Gentleman, but I think that he is really just continuing the debate and, dare I say, inviting me to join it. Newspaper articles in *The Times* and elsewhere are doubtless always of interest, but they do not necessarily constitute the basis for a point of order.

Greg Mulholland (Leeds, North-West) (LD): On a point of order, Mr. Speaker. I seek your advice. On several occasions, I have requested a statement in the House on Eccleshill independent sector treatment centre. Yesterday, a secret report on the centre was published that revealed evidence of inadequate safety procedures, consultants refusing to perform operations, incorrect registration, and invalid insurance. People have lost confidence in that facility. Through your good offices, Mr. Speaker, may I ask you how I can raise this in the House? When will the Secretary of State come before the House and finally give a statement to reassure people that it is a safe facility to which they and their relatives can go for procedures?

Mr. Speaker: The hon. Gentleman is a very assiduous Member who loses no opportunity to highlight in the House his concerns on behalf of his constituents. Unfortunately, what he has said does not of itself constitute a point of order. However, I would say to him, first, that he has put his views very clearly on the record, and secondly, that as I heard him warming to his theme, it struck me that he might have very good material for an Adjournment debate.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. This afternoon, we are going to debate several groups of amendments and new clauses tabled to the Equality Bill. They are massive groups, and it looks as though we will not get through them in one day. May I ask you, Mr. Speaker, if there is anything that could be done by Members of this House, even at this late stage, if we were minded to seek more time to ensure that we are able properly to scrutinise the Bill?

Mr. Speaker: It is often an established principle that it is a good idea to ask a question only when one knows the answer, and I fear that the hon. Gentleman, who is a very experienced parliamentarian, knows that the answer to his question is no. There is nothing that I can do at this stage because, as he will be aware, I am bound by the terms of the programme motion, notwithstanding my own enthusiasm for maximum debate. I fear that I cannot help him on this occasion. Again, however, the hon. Gentleman, on behalf of the people of Oxford, West and Abingdon, has put his views fairly and squarely on the record.

Equality Bill

[Relevant Document: The Twenty-sixth Report from the Joint Committee on Human Rights, Session 2008-09, Legislative Scrutiny: Equality Bill, HC 1113.]

Consideration of Bill, as amended in the Public Bill Committee

New Clause 40

ENQUIRIES ABOUT DISABILITY AND HEALTH

'(1) This section applies where—

(a) a person (A) does not proceed with an application by another person (B) for work, after asking about B's health but before making a relevant decision, and

(b) B brings proceedings before an employment tribunal on a complaint that A's conduct in relation to B's application is a contravention of a relevant disability provision.

(2) In the application of section 132 to the proceedings, the circumstances described in subsection (1)(a) are to be treated for the purposes of subsection (2) of that section as facts from which the tribunal could decide that A contravened the provision.

(3) The reference in subsection (1)(a) to making a relevant decision is—

(a) if A requires applicants to undergo one or more assessments, a reference to deciding in the light of the first assessment which applications to proceed with, or

(b) in any other case, a reference to deciding to whom to offer the work (whether by a conditional or unconditional offer).

(4) An assessment is an interview or other process designed to give an indication of a person's suitability for the work concerned; but a condition to undergo an assessment is not to be regarded as a condition for the purposes of subsection (3)(b).

(5) This section does not apply to a question that A asks in so far as asking the question is necessary for the purpose of—

(a) establishing whether a duty to make reasonable adjustments is or will be imposed on A in relation to B in connection with a requirement to undergo an assessment,

(b) monitoring diversity in the range of persons applying to A for work,

(c) taking action to which section 154 would apply if references in that section to persons who share (or do not share) a protected characteristic were references to disabled persons (or persons who are not disabled) and the reference to the characteristic were a reference to disability, or

(d) if A applies in relation to the work a requirement to have a particular disability, establishing whether B has that disability.

(6) Subsection (5)(d) applies only if A shows that, having regard to the nature or context of the work—

(a) the requirement is an occupational requirement, and

(b) the application of the requirement is a proportionate means of achieving a legitimate aim.

(7) "Work" means employment, contract work, a position as a partner, a position as a member of an LLP, a pupillage or tenancy, being taken as a devil, membership of a stable, an appointment to a personal or public office, or the provision of an employment service; and the reference in subsection (3)(b) to deciding to whom to offer work is, in relation to contract work, to be read as a reference to deciding who to allow to do the work.

(8) The following, so far as relating to discrimination within section 13 because of disability, are relevant disability provisions—

(a) section 37(1)(a) or (c);

(b) section 39(1)(b);

(c) section 42(1)(a) or (c);

(d) section 43(1)(a) or (c);

(e) section 45(1)(a) or (c);

(f) section 46(1)(a) or (c);

(g) section 47(3)(a) or (c);

(h) section 48(3)(a) or (c);

(i) section 49(1);

(j) section 53(1)(a) or (c).

(9) For the purposes of this section, whether or not a person has a disability is to be regarded as an aspect of that person's health.

(10) This section does not apply to anything done for the purpose of vetting applicants for work for reasons of national security.

(11) Asking about the health of an applicant for work is not of itself a contravention of this Act by virtue of section 13 (although action taken in reliance on the information given in response may be).'.—*(Vera Baird.)*

Brought up, and read the First time.

12.36 pm

The Solicitor-General (Vera Baird): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 3—*Mandatory pay audits*

'(1) Within six months of the day on which this Act is passed the Secretary of State shall by regulations require designated employers to conduct a pay audit and to publish information relating to the pay of its employees for the purpose of showing whether there are differences in the pay of male and female employees.

(2) Without prejudice to the generality of subsection (1) regulations made pursuant to subsection (1) shall require designated employers to publish information including—

(a) the average hourly pay of male workers and the average hourly pay of female workers within its employment;

(b) in respect of each role within the organisation—

(i) the average pay awarded to workers engaged in the role;

(ii) the percentage of men and women engaged in that role;

(iii) the gap, if any, between the average hourly pay of male and female employees in that role; and

(iv) the average length of service of men and women engaged in that role; and

(c) information identifying—

(i) any description of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly women;

(ii) any descriptions of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly men;

(iii) the relative values of the descriptions of activities falling within paragraph (c)(i) and paragraph (c)(ii); and

(iv) in relation to descriptions of activities within subsection (c)(i) and subsection (c)(ii) which are judged to be of equal value to each other, the average hourly pay of male workers and average hourly pay of female workers carrying on those activities.

(3) For the purposes of this section, "pay" means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his employment, from his employer and includes the cost to the employer of—

(a) any pensions contributions paid by the employer in respect of the worker,

(b) any bonus or other performance related or incentive payment, and

(c) any discretionary benefit granted to a worker in connection with his or her employment.

(4) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall specify the process which an employer must follow in conducting a pay audit, the form in which the information must be published, and the degree and means of publicity to be made.

(5) In making regulations pursuant to subsection (1) the Secretary of State shall adopt best practice for promoting awareness of the nature and causes of any pay gap between persons of different genders as set out by the International Labour Organisation from time to time.

(6) The Secretary of State shall consult with the Equality and Human Rights Commission as to how to ensure that the regulations shall reflect best practice prior to the making of the first regulations and no less than every five years thereafter and shall amend the regulations as necessary to ensure that best practice is maintained.

(7) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall provide that where an employer fails to publish information as required by regulations made pursuant to subsection (1) an employer shall not be entitled to submit a material factor defence in accordance with section 66 in relation to any period for which they are in breach of their obligations under those regulations.

(8) Where the information published by an employer reveals that there is a difference in the average pay of men and women doing relevant types of work as set out in section 61, then in any proceedings to enforce a sex equality rule or sex equality clause it shall be presumed that there is such a breach unless the employer can show a material factor defence.

(9) Regulations made pursuant to subsection (1) may make provision for a failure to comply with the regulations—

(a) to be an offence punishable on summary conviction by a fine not exceeding level 5 on the standard scale;

(b) to be enforced, otherwise than as an offence, by such means as is prescribed.

(10) The reference to a failure to comply with the regulations includes a reference to a failure by a person acting on behalf of an employer.

(11) Regulations made pursuant to subsection (1) shall provide that an employer must conduct a pay audit and publish information relating to the pay of its employees within six months of the coming into force of the regulations.

(12) Regulations made pursuant to subsection (1) shall provide that where an employer (A) is able to determine the terms and conditions of employment as between another employer (B) and its employees, A shall publish the information that B would otherwise be required to publish in a way which is consolidated with the information for all other employees of A whose terms and conditions A may determine, and where A publishes consolidated information B shall not be in breach of those regulations if it does not publish any information.

(13) A designated employer means an employer who has more than 100 employees.

(14) Regulations made pursuant to subsection (1) shall require designated employers publishing information in relation to the average hourly pay of employees to specify how much of the hourly rate constitutes ordinary basic or minimum wage or salary and how much, if any, constitutes other consideration and to specify the types and amounts of any such other consideration.'.

New clause 4—*Representative actions in equal pay claims*

'(1) The Secretary of State must make regulations to permit the Equality and Human Rights Commission or a registered trade union to apply to a court or tribunal as appropriate for a representative action order in relation to a defined class of persons ("the class") who would benefit from the litigation of rights, or common issues in relation to rights that members of the class may have as a result of the provisions of this Act.

(2) The regulations shall make rules in relation to the making and termination of a representative action order and its conduct.

(3) Such rules shall provide for hearings to be conducted in private when it is necessary for the issues between the members of the class and the Equality and Human Rights Commission or a registered trade union to be resolved and those issues are subject to legal professional privilege shared by members of the class.

(4) Such rules shall make provision for the hearing of any issue as defined in subsection (3) to be undertaken and managed by a different judge or tribunal from the judge and tribunal that have the responsibility for determining the rights or common issue in relation to rights, of the member class.'.

New clause 5—*Hypothetical comparisons in equal pay cases*

'(1) To the extent set out in subsections (2) and (3), sections 63 to 66 apply where a person (A) does not have a colleague (B) who does work that falls within section 61, because there is no such person of the opposite sex to A.

(2) The provisions of section 63 will apply to the extent that a term of A's is less favourable than a corresponding term of B would be, or that A does not have a term which B would have.

(3) The provisions of section 64 will apply to the extent that a term of A's is less favourable than a corresponding term of B would be, or if a discretion in relation to A is capable of being exercised in a way which is less favourable than it would be in relation to B.'.

New clause 6—*Defence of material factor (No. 2)*

'(1) The sex equality clause in A's terms has no effect in relation to a difference between A's terms and B's terms if the responsible person shows that the difference is because of a material factor—

(a) which does not constitute discrimination because of sex within the meaning of section 13, and

(b) if the factor puts or would put A and persons of the same sex as A at a particular disadvantage when compared with persons of the opposite sex, reliance upon that factor is shown by the responsible person to be objectively justified by a legitimate aim and appropriate and necessary to the achievement of that aim.

(2) A sex equality rule has no effect in relation to a difference between A and B in the effect of a relevant matter if the trustees or managers of the scheme in question show that the difference is because of a material factor which—

(a) does not constitute discrimination because of sex within the meaning of section 13, and

(b) if the factor puts or would put A and persons of the same sex as A at a particular disadvantage when compared with persons of the opposite sex, reliance upon that factor is shown by the responsible person to be objectively justified by a legitimate aim and appropriate and necessary to the achievement of that aim.

(3) "Relevant matter" has the meaning given in section 64.

(4) For the purposes of this section, a factor is not material unless it is a material difference between A's case and B's.'.

New clause 11—*Pre-interview discrimination protection*

'An employer (A) discriminates against a person (B) in the arrangements A makes for deciding who to offer employment if A fails to take reasonable steps to ensure that—

(a) the selection for interview is carried out on an anonymous basis, and

(b) the person selecting for interview does not know the gender, race, sexual orientation, age or marital status of B or whether B has a disability.'.

New clause 17—*Discussions with third parties*

'(1) A term of a person's work that prevents or restricts the person (P) from being involved in discussions with third parties about the terms of P's work is unenforceable against P insofar as P is involved in a relevant pay discussion.

[Mr. Speaker]

(2) A relevant pay discussion is a discussion with a third party—

(a) which is about pay, and

(b) which relates to whether or to what extent there is, in relation to the work in question, a connection between pay and having (or not having) a particular protected characteristic.

(3) Being involved in a discussion includes—

(a) seeking the disclosure by a third party of information;

(b) disclosing information to a third party;

(c) receiving information disclosed by a third party;

(d) seeking advice from a third party.

(4) Being involved in a relevant pay discussion is to be treated as a protected act for the purposes of the relevant victimisation provision.

(5) The relevant victimisation provision is, in relation to a description of work specified in the first column of the table, section 25 insofar as it applies for the purposes of a provision mentioned in the second column.

Description of work	*Provisions by virtue of which section 26 has effect*
Employment	Section 37(3)
Appointment to a personal office	Section 47(5) or (8)
Appointment to a public office	Section 48(5) or (9).'.

New clause 21—*Prohibited pre-employment inquiries*

'(1) A person (A) subjects a disabled job applicant (B) to prohibited pre-employment enquiries where A makes inquiries of B as to whether B is a disabled person or as to the nature or severity of such disability.

(2) Inquiries of a disabled person as to the existence, nature or severity of their disability will not constitute prohibited pre-employment inquiries for the purposes of this Act where—

(a) the inquiry is for the purpose of determining whether an applicant requires reasonable adjustments for the interview process and is stated as being such an inquiry;

(b) the inquiry is made at the application stage for the purposes of monitoring disabled applicants, where such inquiry is made in writing, is kept separately from any application form, is anonymised, and is stated as being such an inquiry;

(c) for the purposes of positive action in recruitment, such as offering the guaranteed interview scheme, and is stated as being such an inquiry.

(3) Any invitation to request reasonable adjustments or disclose a disability under subsection (2)(a), (b) and (c) must specify the use that will be made of that information and must state that there is no requirement to provide that information.

(4) Information provided must only be used for the stated purpose.

(5) Inquiries of a disabled person as to the existence, nature or severity of their disability will not constitute prohibited pre-employment inquiries for the purposes of this Act where the inquiry is necessary for the purposes of determining whether an applicant can perform a specific employment-related function, either with or without adjustments and is stated as being such an inquiry.'.

New clause 22—*Employees and applicants: prohibited pre-employment inquiries*

'An employer (A) must not subject a disabled job applicant (B) to prohibited employment inquiries.'.

New clause 24—*Time off for workplace equality representatives*

'(1) An employer shall permit an employee of his who is—

(a) a member of an independent trade union recognised by the employer, and

(b) a workplace equality representative of the trade union,

to take reasonable time off during his working hours for any of the following purposes.

(2) The purposes are—

(a) carrying out any of the following activities—

(i) promoting equality workplace initiatives and practices;

(ii) carrying out equality audits and assessments;

(iii) being consulted on workplace equality policies, practices and management systems;

(b) consulting the employer about carrying out any such activities;

(c) preparing for any of the things mentioned in paragraphs (a) and (b).

(3) Subsection (1) only applies if—

(a) the trade union has given the employer notice in writing that the employee is a workplace equality representative of the trade union, and

(b) the training condition is met in relation to him.

(4) The training condition is met if—

(a) the employee has undergone sufficient training to enable him to carry on the activities mentioned in subsection (2), and the trade union has given the employer notice in writing of that fact,

(b) the trade union has in the last six months given the employer notice in writing that the employee will be undergoing such training, or

(c) within six months of the trade union giving the employer notice in writing that the employee will be undergoing such training, the employee has done so, and the trade union has given the employer notice of that fact.

(5) Only one notice under subsection (4)(b) may be given in respect of any one employee.

(6) References in subsection (4) to sufficient training to carry out the activities mentioned in subsection (2) are to training that is sufficient for those purposes having regard to any relevant equality duty imposed by this Act or provision of a Code of Practice issued by ACAS or the Secretary of State.

(7) If an employer is required to permit an employee to take time off under subsection (1), he shall also permit the employee to take time off during his working hours for the following purposes—

(a) undergoing training which is relevant to his functions as a workplace equality representative, and

(b) where the trade union has in the last six months given the employer notice under subsection (4)(b) in relation to the employee, undergoing such training as is mentioned in subsection (4)(a).

(8) The amount of time off which an employee is to be permitted to take under this section and the purposes for which, the occasions on which and any conditions subject to which time off may be so taken are those that are reasonable in all the circumstances having regard to any relevant equality duty imposed by this Act or provision of a Code of Practice issued by ACAS or the Secretary of State.

(9) An employee may present a complaint to an employment tribunal that his employer has failed to permit him to take time off as required by this section.

(10) References in subsection (2) to equality audits and assessments are to equality audits and assessments that are sufficient for those purposes having regard to the relevant equality duty imposed by this Act or provision of a Code of Practice issued by ACAS or the Secretary of State.

(11) In subsection (2)(a), the reference to qualifying members of the trade union is to members of the trade union—

(a) who are employees of the employer of a description in respect of which the union is recognised by the employer, and

(b) in relation to whom it is the function of the workplace equality representative to act as such.

(12) For the purposes of this section, a person is a workplace equality representative of a trade union if he is appointed or elected as such in accordance with its rules.

(13) In this section "trade union" has the meaning given in section 5 of the Trade Union and Labour Relations (Consolidation) Act 1992.'.

New clause 25—*Application of the National Minimum Wage*

'In the National Minimum Wage Act 1998 (c. 39) for section 40 (mariners) there is substituted—

"40 Mariners

For the purposes of this Act, an individual employed to work on board a ship which either—

(a) is registered in the United Kingdom under Part II of the Merchant Shipping Act 1995 (c. 21) (and that individual is ordinarily resident in the United Kingdom); or

(b) is trading solely between United Kingdom ports, anchorages, roadsteads or offshore installations,

shall be treated as an individual who under his contract ordinarily works in the United Kingdom unless that employment is wholly outside the United Kingdom; and related expressions shall be construed accordingly."'.

New clause 26—*Equal pay audit following contravention by employer*

'(1) In the event that a court or employment tribunal finds that an employer has contravened a term modified or included by an equality clause, the employer shall be required to undertake an audit, to be known as an equal pay audit, and to make the results of the audit available in the prescribed manner.

(2) In this section "prescribed" means prescribed in regulations made by the Secretary of State.'.

New clause 33—*Mandatory pay audits (No. 2)*

'(1) Within six months of the day on which this Act is passed the Secretary of State shall by regulations require designated employers to conduct a pay audit and to publish information relating to the pay of its employees for the purpose of showing whether there are differences in the pay of male and female employees.

(2) Without prejudice to the generality of subsection (1) regulations made pursuant to subsection (1) shall require designated employers to publish information including—

(a) the average hourly pay of male workers and the average hourly pay of female workers within its employment;

(b) in respect of each role within the organisation—

(i) the average pay awarded to workers engaged in the role;

(ii) the percentage of men and women engaged in that role;

(iii) the gap, if any, between the average hourly pay of male and female employees in that role; and

(iv) the average length of service of men and women engaged in that role; and

(c) information identifying—

(i) any description of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly women;

(ii) any descriptions of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly men;

(iii) the relative values of the descriptions of activities falling within paragraph (c)(i) and paragraph (c)(ii) respectively; and

(iv) in relation to descriptions of activities within paragraph (c)(i) and paragraph (c)(ii) which are judged to be of equal value to each other, the average hourly pay of male workers and average hourly pay of female workers carrying on those activities.

(3) For the purposes of this section, "pay" means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his employment, from his employer and includes the cost to the employer of—

(a) any pensions contributions paid by the employer in respect of the worker,

(b) any bonus or other performance related or incentive payment; and

(c) any discretionary benefit granted to a worker in connection with his or her employment.

(4) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall specify the process which an employer must follow in conducting a pay audit, the form in which the information must be published, and the degree and means of publicity to be made.

(5) In making regulations pursuant to subsection (1) the Secretary of State shall adopt best practice for promoting awareness of the nature and causes of any pay gap between persons of different genders as set out by the International Labour Organisation from time to time.

(6) The Secretary of State shall consult with the Equality and Human Rights Commission as to how to ensure that the regulations shall reflect best practice prior to the making of the first regulations and no less than every five years thereafter and shall amend the regulations as necessary to ensure that best practice is maintained.

(7) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall provide that where an employer fails to publish information as required by regulations made pursuant to subsection (1) an employer shall not be entitled to submit a material factor defence in accordance with section 66 in relation to any period for which they are in breach of their obligations under those regulations.

(8) Where the information published by an employer reveals that there is a difference in the average pay of men and women doing relevant types of work as set out in section 61, then in any proceedings to enforce a sex equality rule or sex equality clause it shall be presumed that there is such a breach unless the employer can show a material factor defence.

(9) Regulations made pursuant to subsection (1) may make provision for a failure to comply with the regulations—

(a) to be an offence punishable on summary conviction by a fine not exceeding level 5 on the standard scale;

(b) to be enforced, otherwise than as an offence, by such means as is prescribed.

(10) The reference to a failure to comply with the regulations includes a reference to a failure by person acting on behalf of an employer.

(11) Regulations made pursuant to subsection (1) shall provide that an employer must conduct a pay audit and publish information relating to the pay of its employees within six months of the coming into force of the regulations.

(12) Regulations made pursuant to subsection (1) shall provide that where an employer (A) is able to determine the terms and conditions of employment as between another employer (B) and its employees, A shall publish the information that B would otherwise be required to publish in a way which is consolidated with the information for all other employees of A whose terms and conditions A may determine, and where A publishes consolidated information B shall not be in breach of those regulations if it does not publish any information.

(13) A designated employer means an employer who has no less than 21 employees.

(14) Regulations made pursuant to subsection (1) shall require designated employers publishing information in relation to the average hourly pay of employees to specify how much of the

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hourly rate constitutes ordinary basic or minimum wage or salary and how much, if any, constitutes other consideration and to specify the types and amounts of any such other consideration.'.

New clause 36—*Exemption for small businesses*

'This Act does not apply to any employer who has fewer than 250 employees.'.

New clause 38—*Prohibition of affirmative or positive action by public authorities*

'(1) It is unlawful for a public authority to promote or engage in any form of affirmative or positive action, as defined in subsection (4), when recruiting employees and making appointments.

(2) Any act by a public authority which contravenes the provisions of this section is actionable as a breach of public duty.

(3) For the purposes of this section "public authority" has the same meaning as in section 6 of the Human Rights Act 1998 (c. 42).

(4) For the purposes of this section, "affirmative or positive action" means any action that is intended to give a benefit or encouragement to a particular group or groups of people of people, on the basis of the—

(a) age,

(b) sex,

(c) sexual orientation,

(d) race,

(e) nationality,

(f) disability,

(g) religion, or

(h) socio-economic status

of members of that group

(5) Such actions include, but are not restricted to, the setting and pursuit of targets in respect of any of the characteristics specified in subsection (4) for the purposes of—

(a) recruitment, or

(b) appointment of persons to any scheme, programme, post or other similar such position.'.

Amendment 33, in clause 38, page 22, line 17, leave out 'on at least two other occasions'.

Amendment 60, in clause 62, page 40, line 32 , leave out paragraph (a).

Amendment 61, page 40, line 33, leave out from 'work' to end of line 34.

Amendment 63, page 41, line 7, leave out paragraph (a).

Amendment 64, page 41, line 13, leave out subsection (6).

Amendment 65, in clause 63, page 41, line 22 , leave out from 'B,' to end and insert

'B's term is modified so as not to be more favourable;'.

Amendment 66, page 41, line 24, leave out from 'B,' to end and insert

'B's terms are modified so as to remove such a term;'.

Amendment 67, in clause 64, page 41, line 35, leave out from 'B,' to end of line 36 and insert

'B's term is modified so as not to be more favourable;'.

Amendment 1, page 43, line 1, leave out clause 66.

Amendment 68, in clause 66, page 43, line 14 , leave out subsection (3).

Amendment 69, page 44, line 23, leave out clause 71.

Amendment 70, page 47, line 2, leave out clause 74.

Amendment 13, page 47, line 27, leave out clause 75.

Amendment 34, in clause 78, page 49, leave out line 39.

Amendment 75, in clause 123, page 76, line 14 , leave out from 'forces' to end of line 16.

Amendment 76, page 76, line 26, leave out clause 124.

Amendment 77, page 76, line 37, leave out clauses 125 and 126.

Amendment 78, page 79, line 9, leave out clause 127.

Amendment 93, page 97, line 9, leave out clauses 154 and 155.

Amendment 18, in clause 155, page 98, line 7, leave out 'as qualified as' and insert 'equally qualified to'.

Amendment 125, page 151, line 24, leave out schedule 7.

Amendment 126, in schedule 9, page 160, line 26 , leave out paragraph 1.

Amendment 127, page 162, line 3, at end insert—

'(g) a requirement to be married.'.

Amendment 128, page 164, line 2, leave out paragraph 8.

Amendment 129, page 164, line 13, leave out paragraph 9.

Amendment 24, page 165, line 13, leave out paragraph 11.

The Solicitor-General: The Committee heard compelling evidence from disability organisations that disabled people are being discriminated against by having their initial applications rejected by some employers once those employers are aware of a person's disability. It also heard that the widespread use of pre-employment inquiries can act as a deterrent to some disabled people making applications for work. The Royal Association for Disability and Rehabilitation, for instance, told us that restricting the use of pre-employment inquiries

"is probably the single biggest difference and improvement that could be made through the Equality Bill in relation to the employment of disabled people."

In the light of that evidence, we are convinced of the need to legislate to deter employers from asking health-related questions and using the information gained for discriminatory purposes. Through the new clause we are providing for unscrupulous employers to be brought to account if they ask questions about health and disability—for reasons not provided for in the new clause—and thereafter reject, or fail to consider, candidates for work because of a declared disability. Where an employer fails to progress a person's application after having asked a question that does not fall within the situations specified and allowed, and the person subsequently makes a claim to an employment tribunal for direct discrimination, the burden of proof will shift to the employer to show that he or she has not discriminated against the applicant because of the disability. If the employer cannot do so, they will be found to have directly discriminated and there are then issues of compensation. To ask the question and to rely on the information so as not to select the disabled candidate is unlawful. The provision will strengthen the burden of proof in favour of the disabled person, so that the tribunal must require the employer to show that it has not discriminated. Together with the guidance that we will issue, it will make it very clear to employers that they should not ask health-related questions unless they can show that they are for one of the specified purposes.

Philip Davies (Shipley) (Con): The Solicitor-General talks about how she is strengthening the burden of proof, but as an eminent lawyer herself, when did she decide that the principle of being innocent until proven guilty should no longer apply in British law?

The Solicitor-General: I am really grateful to be called an eminent lawyer by one so knowledgeable as the hon. Gentleman, but he is talking about the criminal law, not the civil law, in which burdens of proof shift to fulfil policy obligations. I hope that I have made that clear, but I say again that to ask health-related questions and rely on the information given to not select a disabled candidate will be unlawful.

Some Opposition Members would have preferred a provision that prohibited health and disability-related inquiries until the point that a job offer was made, but as we have developed the provision, we have had to take account of a range of recruitment processes. There are situations in which the ability to ask health and disability-related questions is essential during the recruitment process. For example, for some jobs with genuine health and fitness requirements, the candidate has to undergo a fitness assessment before a job offer is made. To delay that assessment until the point of the job offer would unduly delay and disrupt established recruitment processes. That is a fairly clear position.

The new clause strikes the right balance between protecting disabled people from prejudicial discrimination and permitting employers to seek information about health and disability, but only where it is appropriate to do so. It sets out that they will be able to ask health and disability-related questions at the application stage in four specific circumstances, without taking what I will call the "tribunal risk". First, an employer may make inquiries to identify any requirement for reasonable adjustments to the recruitment process. That is essential, as the duty to make such adjustments is fundamental to opening up opportunities for disabled people to gain employment. How can they be made if nobody knows that they are needed?

Secondly, an employer can make inquiries for the purpose of monitoring diversity in the range of people making job applications. We were told by stakeholders that that monitoring is important to encourage diversity and improve job prospects for disabled people. Thirdly, the new clause provides for inquiries that facilitate the delivery of positive action for disabled people. We all agreed in Committee that that is an important tool in improving work opportunities for disabled people.

Finally, an employer will be able to make inquiries where there is a genuine occupational requirement for the job on offer to be filled by a disabled person or a person with a particular disability. In such cases, it will be important for the employer to be able to identify candidates with the required disability at an early stage. In addition, the new clause provides for an exception for health-related questions asked for the purpose of national security vetting.

In other cases, an employer will reduce the risk of a penalty if health-related inquiries are delayed until after the applicant has passed some form of assessment or interview based on non-health criteria. If there is no form of assessment, the employer will be able to make health-related inquiries when they have decided to make a job offer. The aim is to prevent a disabled person from being screened out solely on the basis of their disability without first being given the opportunity to show that they have the skills and competences for the job on offer. That will address one of the key concerns of disability organisations—that disabled people are being screened out without ever getting to the interview or selection stage. We will do all that we can to ensure that the new provision is well known, so that it can overcome the deterrent effect that health-related inquiries made at the initial application stage can have on disabled people's willingness to apply for work. At the same time, it will promote opportunities for disabled people in the labour market by facilitating positive action and recruitment where there is a genuine occupational requirement.

The new clause will be an appropriate deterrent to employers using the inquiries in question to gain information for discriminatory purposes, and it will ensure that employment opportunities are promoted, for example though reasonable adjustments. I seek the approval of the House for the new clause.

John Penrose (Weston-super-Mare) (Con): We welcome the intention behind Government new clause 40. It is fair to say that the Government have responded—or certainly they have attempted to respond—constructively to concerns that were raised in Committee. A number of Members on both sides of the Committee called for action, so there is a fair degree of emerging consensus on both sides of the House on this important issue, and the various parties are at least on strongly converging tracks, which is always to be welcomed.

The Minister's outline of the new clause was tremendously helpful, but she may have a little further to travel, because the measure has been greeted with a fair degree of confusion, concern and worry by some groups outside this place. They say that it is fairly complicated and that it seems to involve an awful lot of requirements for people to take things to tribunals, and they are not quite sure whether it will genuinely do the job that it is intended to do.

For example, the Terrence Higgins Trust has taken a fairly straightforward view, stating:

> "THT is very disappointed with New Clause 40, and the impact it would have is minimal in relation to the US-style ban on irrelevant pre-employment health-related questions that we've been calling for."

As the Minister will be aware, the proposed new clause in my name and that of my hon. Friend the Member for Forest of Dean (Mr. Harper) seeks to give effect to that basic approach.

It may be that some of concerns of the Terrence Higgins Trust will be allayed by the Minister's explanation of some of the Government's thinking behind the way they have put the new clause together, but I suggest that she has a fair way to go to speak to one or two organisations. Will she lay out some of the evidence and some of the more detailed work that she and her team have clearly been doing since Committee?

The Solicitor-General: Clearly, I am very happy to confirm that we will do all we can to ensure that the reassurance the hon. Gentleman seeks is given. As I have set the clause out, it has strength in it. The difficulty about a measure that merely declares something to be unlawful is that it does not actually have a great deal of strength, but we make very clear what the consequences of behaving in a certain way are. Obviously, the idea is not that people will have to go to the tribunal, but that employers will be well apprised of the consequences of breaking the law.

John Penrose: I thank the Minister for her constructive response and her willingness to provide and publish any evidence and so forth that she and her team have been

[John Penrose]

gathering. I am sure that that will go a long way to reassuring organisations such as the Terrence Higgins Trust and Rethink. The latter

"expressed its disappointment…following the government's decision not to introduce a clause in the Equality Bill to stop employers asking job applicants about their medical history before deciding whether to invite them for interview."

It sounds as though those are merely technical differences. I think we are agreed on the principle, which is worth restating briefly for the record. The principle is this: there is a large body of evidence that shows that if employers ask for details of health background before interview or before a job application decision is made, there is more opportunity—let me put it no more strongly than that—for discrimination of various kinds, including, most severely, direct discrimination.

If we delay that process and say that employers may ask for details of health background only after they have decided to offer someone the job—at that point, the question becomes, "What special and reasonable adjustments may be required by someone who has a disability to allow them to do the job that they have been offered?"—the chance of disability-related discrimination is significantly reduced.

Having made those points, we welcome the Government's intention and look forward to them publishing the technical background to their work on the matter. We want to keep our powder dry as to whether that means debating the matter again at some later stage, but all being well, we are at least making steady progress in the right direction, and we salute the Government's approach.

I also wish to speak to two other groups of Conservative proposals which are in my name and that of my hon. Friend the Member for Forest of Dean—one is on positive action and the other on gender pay reporting. Our proposal on positive action seems rather technical and seeks to draw a distinction between someone who is "equally qualified" as opposed to someone who is "as qualified". That is a very small word difference, but it is profound in terms of the thinking behind it and the implications that it might have. The whole point of positive action—I think that this is widely agreed on both sides of the House—is that it is an important aid to people who would otherwise find it difficult to apply successfully for jobs and positions in all sorts of different professions and sectors of the economy, but which, importantly, stops short of positive discrimination. There is a world of difference between the two and it is an important distinction to make. Positive action, to summarise it in layman's terms, involves providing as much assistance as reasonably possible—holding someone's hand in as many different ways as possible—in all the steps that lead up to and during the interview process for a new position. It deliberately stops short of allowing the employer making the job offer to select someone who is less well qualified simply because they have the protected characteristics in the Bill. In other words, it allows helping someone to prepare and to put themselves across in the best possible way when applying for a job, but the eventual decision on who gets that job must be purely meritocratic and based on the principle of appointing the person best qualified for the job.

In Committee, there was a debate about that principle. At the start of the process, it appeared that that principle—and the distinction between positive action and positive discrimination—had been bulwarked and preserved by the use of the words "equally qualified". If two people are equally qualified for a job—what we might call a "tiebreak situation"—an employer may choose someone with a protected characteristic, say from a particular racial group or of a particular sexual orientation, in preference to someone who has not such a characteristic. The important point is that the two candidates are equally qualified. That would not, of course, breach the crucial distinction between positive action and positive discrimination. However, in Committee, we had a concerned and detailed debate about the Government's rephrasing of that provision, so that instead of being "equally qualified", it reads "as qualified". That is important because we are worried that "as qualified" might mean that of two candidates who are both adequately qualified—they both clear a minimum threshold as defined by the employer as required for the job in question—the candidate who is best qualified and well above the minimum threshold, but does not have any of the protected characteristics, may not get the job because the employer would be within their rights to give it to someone who is less well qualified but had cleared the hurdle and possessed a protected characteristic. That would breach the important distinction between positive action—giving people a hand in their preparation—and positive discrimination, which is allowing the decision on who is offered a job to be made on any grounds other than merit.

We are not the only people to be worried about the distinction. The Equality and Human Rights Commission, in its supporting documentation, has also expressed concern. In its Equality Bill report stage briefing, issued on 2 November, it said:

"Positive action would allow employers choosing between two equally qualified candidates to select the successful candidate on the grounds that they are from an under-represented or disadvantaged group."

I am interested to note that the EHRC is supporting the principle of "equally qualified" and using that phrase in its briefing document, rather than "as qualified", although I am sure that it is not the only organisation that supports the principle of "equally qualified" and that that support is shared on both sides of the House. The Equality and Diversity Forum, in its briefing on the Report stage of the Bill, says:

"The proposed provision does not permit recruitment or promotion only because a person has a protected characteristic, it only applies to candidates who are equally qualified and in a situation where a group is under-represented."

In other words, there is great consensus on the principle of "equally qualified" and applying the clause in a tiebreak situation, but I do not think that there is a consensus on the notion of allowing a candidate who is adequately qualified, but less well qualified than another candidate, to be preferred simply because they are from a minority group. That is our concern.

The Solicitor-General: I was yesterday at a seminar organised by the EHRC on positive action, and it is absolutely in agreement with the way in which the Government see this issue. I can assure the hon. Gentleman of that because the chairman introduced me and said so, I went on to speak and he was on the panel with me afterwards, and a cigarette paper could not have fitted between our views.

John Penrose: I thank the Minister for that clarification. My concern is that in its written documentation, the

EHRC talks about "equally qualified". In Committee, the Minister said that the wording "as qualified" was effectively the same thing, but given the concerns that are being voiced by my party and many others about this—and the importance of the principle that is being addressed—and if there is no difference between the phrases, why will she not use the one that everyone else is using? I ask her to address that point if she can, and we reserve the right to press that amendment to a Division, depending on her response.

We had an extensive debate on gender pay, and the Government's proposals to introduce a requirement for gender pay reporting, in Committee. There are other provisions on gender pay in the Bill which had wide support, notably the one that would make it illegal for employers to prevent work colleagues from comparing and discussing their pay so that they can see whether, for example, women are being paid less than men for an equivalent role. However, the clause on gender pay reporting was not so unanimously supported. There was a wide consensus about the importance of the issue and the need to sort it out. The gender pay gap is one of the most pernicious, longstanding, significant and unjustifiable examples of workplace inequality in this country, and it is caused by many facets of our society, not least direct discrimination. Rightly, there was consensus on both sides of the Committee when this issue was discussed that it must be addressed and cannot be taken for granted, even though, ever since the original equal pay legislation back in the 1970s, we have seen a steady—I would not say rapid, because it has been stately and slow—and inexorable reduction in the gender pay gap. In Committee, we discussed whether that steady reduction—and it has fallen quite a long way in the last 30 years—was running out of steam and losing momentum, so that additional measures were necessary. I am happy to say that since the Committee stage, new statistics have been published that show that the gender pay gap has continued to fall. It has not fallen by much, but it continues its slow and stately reduction. I am sure that we all want it to fall faster, and we certainly need to go further, but it is an issue on which our society has made great progress over an extended period.

1 pm

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does the hon. Gentleman accept that our progress has been poor compared with many of our neighbours, who have made significant improvements in the gender pay gap, and that Britain is falling behind? Given that we had legislation on that in 1970, it is an outrage that we are still talking about pay gaps in the region of 22 per cent.

John Penrose: I am happy to accept the point behind the hon. Lady's remarks, which is that we absolutely have to go further and that there is no cause for complacency. It is worth while saying that what we have has been working—albeit too slowly—but we need to continue pushing on. It would be a courageous person who claimed that Britain is all marvellous. She is right to point out that we have further to go.

Our concern is that the causes of the gender pay gap are far from simple. Direct discrimination is clearly an issue, but many other very knotty and difficult issues will require careful addressing if we are to continue to erode and reduce the gender pay gap—and ideally at a faster rate, as the hon. Lady just mentioned. The causes of the pay gap are well known, but let me quickly summarise and rehearse a few of them. Problems with flexible working are well known. There is no doubt that, if someone is trying to combine child care, for example, with work, it is essential that they achieve a proper work-life balance and that they be allowed and helped to do that by their employer, whether public or private sector. Clearly progress needs to be made in allowing and encouraging flexible working.

Child care is another issue. Affordable child care at the right time of day, on the right days of the week and in a convenient location, is essential for anybody trying to juggle family responsibilities with holding down a job. Repeatedly in surveys, the lack of suitable, affordable and conveniently sited child care comes up as one of the top two obstacles for people with family responsibilities to getting a job and, in particular, to remaining in it. The classic pattern is that someone manages to get a job and to get through the first few weeks, but the moment they first encounter something such as a school holiday, all of a sudden their existing child care arrangements are inadequate and they soon discover that they cannot continue to juggle those two important facets of their lives. Clearly, therefore, child care is crucial.

Equally, there is the perfectly legitimate element of individual choice. I am sure that everyone would agree that it would be entirely wrong for parliamentarians to dictate to families up and down the country what their work-life balance should be and how they should prioritise child rearing, for example, versus employment. We need to create an environment in which people can make their own decisions based on their personal lives and situations, an environment in which those decisions are backed up, made simpler and supported rather than obstructed. However, it is legitimate to say that it is perfectly possible for people to take structurally very different decisions. Women might on average take different decisions from men, and part of that, in a free society, is perfectly acceptable, providing that they do it of their own free will and for the right reasons, rather than being pushed, cajoled or pressured.

There are many different facets to gender pay discrimination and many reasons for it. It is not just me and other parliamentarians saying that. Some years ago, the Equal Opportunities Commission published a working paper, series No. 17, entitled "Modelling gender pay gaps". In it, it tried to break down the causes of the gender pay gap. It stated:

> "Broadly, the research finds that gender differences in life-time working patterns account for 36% of the pay gap. Rigidities in the labour market, including those that concentrate women into particular occupations and mean that they are more likely to work in smaller and non-unionised firms, account for a further 18% of the pay gap. 38% is due to direct discrimination and differences in the labour market motivations and preferences of women as compared with men. The remaining 8% is due to women's lesser educational attainment in the past".

Thankfully, the latter gap is much reduced, and in some cases has gone the other way.

The EOC report talks about the full-time gender pay gap, which is down to 12 per cent. in round numbers. The implication of those figures is that 38 per cent. of the 12 per cent. gender pay gap in full-time employment is, as the report states, due to two factors:

> "direct discrimination and differences in the labour market motivations and preferences of women as compared with men".

[John Penrose]

which we have just been talking about. There remains a systemic difference in this country between women with child care needs and men. In other words, roughly 5 per cent. of the gender pay gap is due either to direct discrimination or differences in labour market motivations. That means that the direct discrimination, which is the point of clause 75, and of obliging companies to publish gender pay differences, accounts for between 1 and 5 per cent. of the gender pay gap. That does not make it unimportant—it is potentially very important—but it is crucial for the purposes of the debate to understand the size of the issue that we are addressing.

John Mason (Glasgow, East) (SNP): I am concerned about the drift of the hon. Gentleman's argument, which has been to reduce to 1 per cent. the 22 per cent. gap quoted by the hon. Member for North Ayrshire and Arran (Ms Clark). Is the intention of that to weaken the rights of women?

John Penrose: Emphatically not. I am trying to ensure that people in Parliament and the world outside who might be watching have a sense of the size of the opportunity that this measure might help with. As I was explaining, there are many other causes of the gender pay gap—I am sure that everybody in the Chamber knows that—and those causes need to be addressed in other ways. Most of my other points about flexible working, child care arrangements and so on need to be addressed by other parts of Government policy and, indeed, through employer action.

We have just been talking about positive action. In laymen's words, I would argue that all the other points could, and should, be dealt with through positive action to help women to achieve their potential in employment.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the hon. Gentleman not see that the 22 per cent. differential relates to women in work, and that the other issues to which he referred are not a reason for that 22 per cent. still to exist?

John Penrose: The point that I am trying to make is that the pay differential is caused by all those different points. The EOC report stated that only 38 per cent. of the difference in full-time work—our debate depends on whether we are talking about part or full-time work—which starts from a base of 12 per cent., is due to direct discrimination or differences in labour market motivations. I am just trying to establish the size of the additional reduction that we could achieve by publishing gender pay information: it is at most 38 per cent. of 12 per cent. and quite possibly only a small fraction of that. The point that I am trying to make, therefore, is that there are other things that we could, and should, be doing. I am sure that everyone on both sides of the House agrees that many things need to be done to improve access to child care and so forth. The Government have attempted to do that, and my party has published its proposals to do so. All those other things are vital if we are to continue making progress in reducing the gender pay gap.

Lynne Featherstone: The hon. Gentleman's argument very much minimises the size of the problem. I am concerned about 100 per cent. of the women who are discriminated against. There are other issues, but they do not play a part in gender pay scales or their publication, whether in terms of women in full or part-time work. That differential still exists for those women.

John Penrose: I completely accept the hon. Lady's point that the differential still exists for those women. I am trying to break the figures down so that we can understand which bits might be due to direct discrimination by employers, which is the most pernicious piece of the gender pay gap and needs to be a determined focus of our aim of reducing that part of the gap. However, it is important for us to understand that, even if we reduce to zero direct discrimination by employers—that would be wonderful and something for which we should all aim—we will still have a gender pay gap, if we do not fix all those other things. According to the EOC's analysis, the majority of the existing gender pay gap will still exist if we do not sort out the other points. That is all that I am trying to get at.

The Solicitor-General: I am intervening now because we are debating a massive group of amendments and it is better to deal with specific issues as we go through it. First—and very quickly, of course—the pay transparency provisions are not about direct discrimination only. Every time the hon. Gentleman refers to discrimination, he completely misses out indirect discrimination, which is still a big component. We are not just looking for direct discrimination. With pay transparency, we will find things such as ghettoisation. In particular departments, there have always been women who have always been underpaid. If we get transparency there, so that we can see what is happening, we can delve into it and remove the problems. It is not about disclosing just direct discrimination; some of it will be indirect discrimination, and some of it will be nobody's fault. Business, the public sector and employees now understand that unless people are fair they will not get the best service from their employees. We are just trying to look at that. To be honest—and to put it neatly—the hon. Gentleman is barking up the wrong tree by trying to confine what we are doing to its impact on direct discrimination. He is missing the point.

Mr. Speaker: Order. It is always a pleasure to listen to the hon. and learned Lady, but I hope that that intervention, despite its incisiveness, will not be copied by others in terms of length.

John Penrose: The Solicitor-General is right that I have been focusing on direct discrimination up until now, and it is absolutely true that there are many other issues that responsible employers are already addressing and will need to continue to address. It is pretty unnecessary to have a gender pay reporting requirement to work out that every person in a particular department is a woman or that they are grossly over-represented in a particular department. One only has to walk into a department and look around to see that.

It is also true that the measures required to deal with some of the examples that the hon. and learned Lady gave, such as ghettoisation, are different. Such problems may require mentoring or help with career development, for example, which are the kinds of things that we addressed briefly in our discussion about positive action. Many employers are now undertaking such actions in an attempt to increase the proportion of women whom they first recruit and retain, and then help to progress

throughout their organisations. I hope that I am not barking up the wrong tree, because I think that those things are important. I was just seeking to get an estimate of the size of the opportunity that we are talking about.

However, there is agreement on the fact that it would none the less be worth while going ahead with a gender pay reporting requirement, even if we were talking about only a couple of percentage points of the pay differential. It would also be worth doing if the costs were proportionate. We are talking about a pernicious problem and an injustice that needs to be dealt with. Providing that we can deal with it in a way that is proportionate and sensible, we should get on and do so.

Ms Katy Clark: Another statistic from the report that the hon. Gentleman has quoted from is that 60 per cent. of women's employment is concentrated in just 10 occupations. Is not one of the issues that many of the jobs that women have traditionally chosen to do are undervalued? That is why we need to make the Equal Pay Act 1970 work, and also why we need the reporting provisions—and, I would say, other provisions—to strengthen equal pay legislation.

John Penrose: The hon. Lady makes an important point, which is akin to the point about ghettoisation. There might be different functions in a company or even entire sectors in which women have traditionally found it easier to get work. I would suggest that the reason for that will at least partly be the convenient hours that women can get in those sectors and the fact that they might fit more directly with the breakdown of time between child care and family responsibilities and work. However, that does not necessarily make what happens right. That is why I talked earlier about the importance of adequate child care, in order to give women more choices than they have had in the past, although publishing pay reporting figures is not necessarily the answer to that problem. Sorting out child care would be a far faster and, I would suggest, a far more robust response to the problem.

Gender pay reporting would none the less be worth doing if it were a trifle—something that would be cheap to do—and if we could thereby address the full-time gender pay gap of between 1 and 5 per cent., wiping it out or at least providing the information that would allow it to be wiped out. If gender pay reporting were that cheap, my party would be saying, "Well, this is a sensible and acceptable price to pay." However, the costs are causing me and many others grave concern.

In the Government's defence, the calculation has risen—I had a bit of a go at the Government about the issue in Committee. The House will be pleased to hear that the calculation has risen—it has nearly doubled, in fact. The Government say that the one-off implementation costs for large companies—those with more than 250 employees, such as Tesco, Shell or O2—have gone up from an estimated £92 per firm to £215.

1.15 pm

Ms Katy Clark: Before the hon. Gentleman talks in any more detail about the costs of gender pay reporting, does he not accept that equal pay legislation has been in force since 1975? That is more than 30 years, yet employers have been breaking the law since then by paying men more than they pay women. If it was any other area of society, we would be talking about taking action against those people in the courts. Why does he think that it is legitimate to discriminate in that way and that the state should not insist that we take urgent action to ensure that those people stop breaking the law?

John Penrose: I am afraid that I am very disappointed with that intervention, because I had hoped to make it clear, from both the tone and the content my remarks so far, that I think it essential that we should continue to make progress in this area. We have more progress to make, as the hon. Lady and I agreed in our earlier exchanges. What I am debating is how to do that and what the most effective way of doing it quickly is. In this case, I am also debating the best way of doing that in a cost-effective way—that is not to say that it is not worth doing anyway, but it has to be cost-effective and done in a proportionate way.

To return to my earlier point, the one-off implementation costs in the Government's impact assessment have gone up from £92 per company to £215, and the ongoing cost per company has gone up from £15.38 a year to £41. Under the new regime, therefore, Tesco or any other large FTSE 100 company will spend £215 to prepare for gender pay reporting and another £41 to do it annually thereafter. I do not think that I am alone in welcoming the fact that the Government have gone away and increased their numbers, but I fear that they have not increased them by anything like enough. Frankly, those numbers are still not even remotely believable. If we can come up with numbers that are believable and still proportionate, my party will take a very different approach, but we remain concerned and therefore seek the Minister's reassurance.

Gender pay is clearly important, but it is not the only source of pay differentials according to people's protected characteristics. There are not just gender pay differentials; there are also differentials on the basis of disability and many other protected characteristics. The issue is important, as I have said. However, if it is that important, we should be considering ways to erode those other pay differentials. We are concerned that by taking the sledgehammer to the problem that the Government propose, the wider issues will perhaps be ignored, or at least not given enough priority. I will now bring my remarks to a close. I look forward to the contributions of other hon. Members.

Lynne Featherstone: Let me start by dealing with the pre-employment questionnaires. We on the Liberal Democrat Benches welcome Conservative new clauses 21 and 22, which deal with prohibited pre-employment inquiries. Like new clause 11, they address some of the problems that people have before they even get into work. Whereas most of the Bill is concerned with discrimination in work, those new clauses deal with the barriers in the first place.

It was interesting to listen to the debate between the Labour and Conservative Front Benchers. I hope that they will reach an accommodation, because they both have right on their sides. The Conservative new clauses would firmly place the onus on employers not to make inquiries about a candidate's disability status. That is the most important point—the question should never be asked, so that there can never be an inhibition on

[Lynne Featherstone]

progressing, as opposed to being able to make a complaint only afterwards, whether the candidate has got the job or not.

On the other hand, the Government's new clause 40 seems to us to impose a slightly narrower restriction. For individuals to demonstrate that they did not get the job because of the pre-employment questions they were asked, there is a higher hurdle, making it more difficult to police and to prevent such inquiries. The merit of the Government's new clause is that there is a sanction and that a clear framework is set out for how an individual should seek a remedy when they have a complaint. That remedy, however, applies only if they did not get the job. The framework is welcome, but the narrowing is not. The Conservative position is nearer to that of the Liberal Democrats. Through this Bill, we are seeking to level the playing field—that is the point—and to give people the fairest chance of getting to interview without being subject to the potential prejudices of the employer.

That brings me to the Liberal Democrat new clause 11. Much of the Bill, as I said, is about what happens once people have got their job. On the basis of my experience of sitting on employment panels—I am sure other hon. Members have sat on them, too—as a local councillor for eight years in Haringey and for five years as an assembly member at the Greater London authority, together with all the anecdotal experiences and stories one hears, I have long been concerned that job applicants are being discarded at first sift either by the employer or by human resources departments. That prevents them from getting on to the shortlist and from being interviewed.

I also recall the case in my own office here when two interns, whose surnames were Hussein and Patel, applied for a job. They were far more qualified than me, I have to say, and they told me about the hundreds of job applications they had made without even getting through to an interview. They certainly felt that their names played a part in that discard.

From subsequent study and from thinking about the possibility of placing this new clause into the Bill, I have become aware of American research on brain patterns. It shows how when it comes to foreign-sounding names, it is the brain—rather than racism per se—that recognises and accepts what is familiar but subliminally and unconsciously discards what is alien or foreign. If someone is being interviewed by a racist, this is obviously not going to make a difference, but to be discarded, as my two interns were and as many others have been, simply because the brain works in a particular way seems to be a matter that we could and should look into.

When children are being examined, we give them a number so that they can write it on the paper and avoid any inherent bias. The proposition is that people applying for a job could use something like a national insurance number so that they could avoid being knocked out at first sift. That will not solve all the problems all the time, but it is an entry-level requirement. When one comes to interview, all is then revealed.

On Second Reading, I floated the thesis and, undeterred, tabled an amendment in Committee, and it was interesting when the Solicitor-General told the Committee that the Department for Work and Pensions was undertaking some survey work. At that point, she said that although she did not wish to tantalise the Committee, the first showings suggested significant discrimination. I was quite excited by that, as it identifies a real problem; whether or not this new clause is the solution is a matter for discussion. If there is a big problem, however, the use of anonymous CVs will be simple, effective and cheap—resource non-intensive, which should please Conservative Members, because it does not cost anything and does not involve a cost to business.

Many benefits would flow from removing discrimination in the job market—opening up opportunities, spreading wealth, bringing about greater social cohesion and economic efficiency, from which we all benefit. *The Mail on Sunday* obviously got the wrong end of the stick about what the Government were doing when it said that the City was very upset. Excuse me, but undertaking research into an issue to establish whether a change in the law is required sounds pretty sensible to me and I commend the Government and the Department for Work and Pensions for undertaking it, especially when it is on such an important issue as discrimination in employment practices. A smart employer would also know that the depth of scientific research backs up what the new clause is designed to achieve.

I am very encouraged that this research has been carried out and I very much hope that the Solicitor-General will elaborate on the findings, which I understand showed clear discrimination based on name alone. People say "What's in a name?" and I think the answer is "Quite a lot." I greatly hope that the Government will support new clause 11. I will listen carefully to the Solicitor-General before I decide whether to test the will of the House, as she may wish to say more and propose that more work needs to be done.

On the gender pay gap, which I believe is an extremely important issue, I do not think that there is a million miles between the Government and the Liberal Democrats other than about the degree to which we wish to see change and perhaps over the Government's belief that another four years of voluntary disclosure will work. The Liberal Democrats do not believe that it will. I was concerned and upset again, as I was in Committee, to hear the hon. Member for Weston-super-Mare (John Penrose) arguing in a way that suggested he wanted to minimise the effect of what we are seeking to do by closing the gender pay gap. Good Lord—*[Interruption.]* The hon. Gentleman shakes his head, but the whole manner in which he put the case seemed to suggest that he was saying, "Well, basically women have children, so we kind of have to understand that that puts them outside the workplace." *[Interruption.]* That is what it felt like as I sat listening to the hon. Gentleman, and these are arguments that women have heard for many decades. What he said seemed to have those echoes and tones.

John Penrose: That was emphatically not what I was saying and it was not the intention of my remarks or the impression that I wanted to convey. What I was trying to say was that this is a crucial and pernicious problem that has persisted for a long time, albeit improving at a very slow rate, so that we needed to target what we do about it appropriately. Different parts of the gender pay gap, which is caused by different things, require different public policy responses. My argument was that this particular public policy response is a comparatively expensive way of focusing on a very small part of the problem when we would do better to focus on all the other bits, which would reduce the gap much faster.

Lynne Featherstone: I totally disagree because the message and intention behind disclosure would affect all areas in which women find themselves discriminated against; it does not pertain only to the market share of this problem, which the hon. Gentleman sees as so minimal and I see as so great.

A series of Liberal Democrat new clauses are designed to deal with the issue of equal pay for women—involving mandatory pay audits, representative action, hypothetical comparators and defence of material factors. The issue is so important, which is why I am so pleased to debate this group of amending provisions on the Floor of the House. As the hon. Member for North Ayrshire and Arran (Ms Clark) made so clear, it would be unforgiveable if women in this country did not secure the laws they need to bring about change to a disgraceful situation that has applied for nearly 40 years since the Equal Pay Act 1970.

I am pleased that the hon. Lady tabled new clause 33, which is identical to the Liberal Democrat new clause 3 other than in respect of the numbers for the mandatory pay audit to kick in—100 for us, as opposed to 21. We based our figure of 100 on the pre-evidence submissions—by the Women's Commission, I believe. We view 100 as providing a reasonable level at which companies could operate without enormous expense. Quite frankly, we do not believe that the expense will be enormous at all, although the hon. Member for Weston-super-Mare seems to think that it is prohibitive.

It was clear to me in Committee that there was a great deal of support among both Labour and Liberal Democrat Members for mandatory pay audits. New clause 3 revisits the issue, and I shall be seeking to test the will of the House in relation to it. Mandatory pay audits are important in that they expose overall patterns of pay—although not individual salaries—to public scrutiny. The new clause would ensure that, at last, pay discrimination had nowhere to hide.

1.30 pm

Where we differ with the Government is on the question of whether audits should be voluntary or mandatory. Opponents of equal pay measures often argue that there can be no discrimination in the marketplace because that is the point of a market: firms that discriminate will be worse off. However, when an opportunity was provided to strengthen market pressures by ensuring that pay scales were disclosed—to give the market more information, which is what free-market theorists tells us that it needs—where were those people? They backed off as fast as they could, making themselves scarce.

Mandatory pay audits are supported by Unison and the Fawcett Society. The problem with the Government's proposal is that it only suggests that information be published voluntarily until at least the year 2013. As has already been pointed out, the Equal Pay Act was passed 39 years ago, but according to the latest figures that I have from the Office for National Statistics, women are still paid 17 per cent. less than men.

We should bear in mind that the Equal Pay Act was sparked by the gender pay gap. For every pound that men were paid at Ford's Dagenham car plant, women earned only 85p. On 7 June 1968 the women went on strike, but it was only when they were joined by the women and the men at the Ford's Liverpool plant that the company caved in and the Equal Pay Act was spawned. The point that I am making is that it takes both sexes to make the change.

Philip Davies: The hon. Lady is making her case powerfully, as she always does. She said that she was concerned about the gender pay gap. According to the Office for National Statistics, although among full-time workers women are paid less than men, among part-time workers they are paid more than men. Is the hon. Lady as concerned about the fact that men are paid less than women in part-time work as she is about the fact that women are paid less than men in full-time work, or is she bothered about only one side of the equation?

Lynne Featherstone: That is not my understanding of the figures.

Philip Davies: I have the figures here.

Lynne Featherstone: If that were the case—

Philip Davies: It is the case.

Lynne Featherstone: Then of course I am equally concerned. I am concerned about all discrimination. However, those are not the statistics that I have.

The problem is that a law that was intended, in the best possible way, to change women's prospects for ever has not been effective. It is extraordinary to note that that is the case at both ends of the market. The Equality and Human Rights Commission has done a great deal of work in studying the pay gap in the financial sector. Admittedly, those in that sector probably receive far less sympathy from Members than those in the low-paid sector.

Last year, the highest-paid female director of a company in the FTSE 100 took home £3.8 million. That figure, however, is dwarfed by the amount received by the highest-paid man, who took home a disgusting—if the House will excuse the word—£36.8 million, almost 10 times as much. Lest Members are in any doubt, I should make clear that I think such pay levels are insane, but the point is that from the highest earners to the lowest, women get a raw deal. It is as tragic as it is shameful that such gaps remain nearly 40 years after the passing of the Equal Pay Act.

Apart from the fact that the Government's proposals for voluntary publication applied to firms with more than 250 employees, what was made clear in Committee was that they were working with the CBI, the trade unions and the Equality and Human Rights Commission to establish a single figure, or a small number of figures, according to which it could be judged from year to year whether a firm was making progress in reducing a gender pay gap. I do not know the magic number, or metric, that they agreed to adopt. I had hoped to have that information before the debate, but I do not have it, so I hope that the Solicitor-General will be able to tell us more. In any event, however, if it has been decided that that is how to monitor companies' progress in closing the pay gap, I consider the decision misguided, because it will not deliver real change.

I can see the attraction, in terms of monitoring, of establishing a single figure or small number of figures according to which a company could be judged from

[Lynne Featherstone]

year to year. The magic figure, or figures, might help the Equality and Human Rights Commission, if that is the body that will have to judge whether a company is closing the gap, but it will not do what the Liberal Democrats consider to be one of the most important things that disclosure can do. It will not put power into the hands of individuals by enabling them to discover whether they are being discriminated against.

If the company for which a person works publishes its pay scales, the result—apart from public opprobrium—will be that that individual can establish whether he or she is being subjected to discrimination, and can then take his or her case to a tribunal. Someone who does not know whether he or she is being discriminated against will not have that power. Unfortunately, although the Government's proposed measure will help by allowing the monitoring commission to check on the overall pattern, it will not empower the individual.

As was pointed out by the hon. Member for North Ayrshire and Arran, an important aspect of mandatory pay auditing is that it puts a value on the different kinds of job held by men and women. Rather than proposing a measure that is good but not good enough, my colleagues and I are suggesting that firms that are reasonably sized or larger—100 employees seems an appropriate cut-off point—should be subject to mandatory auditing so that women, and indeed men, can see for themselves whether they are being discriminated against, and can make a claim if necessary. We as Members of Parliament should understand the power of transparency when it comes to publication. It has a very salutary effect.

New clause 4 concerns representative actions. Currently, if I believed that I was being discriminated against in terms of pay, I could take my claim to an employment tribunal. As I have already said, the ability to see for themselves whether they are being discriminated against will put power into individuals' hands. However, an individual has to be quite brave and assertive to proceed with a claim, and the resources for tribunals are so inadequate that there is currently a backlog of cases. Women are waiting and waiting and waiting. According to evidence provided by the Fawcett Society, thousands of women are waiting for justice, and some have died while waiting.

The aim of representative action is to speed up justice, to take the pressure off individuals, and to protect the system from breakdown and expense. Individuals could be represented by trade unions or, indeed, by the Equality and Human Rights Commission, which ought to be able to act on behalf of a group of people who find themselves in roughly the same position and bringing the same kind of action.

John Mason: Does the hon. Lady agree that such a measure could have helped to solve local authority pay problems? It has taken many years for women doing jobs equivalent to those of men in local authorities in, I think, both Scotland and England and Wales to secure equal pay.

Lynne Featherstone: I do agree, and I thank the hon. Gentleman for his helpful intervention.

Philip Davies: Will the hon. Lady give way?

Lynne Featherstone: I will give way to what will possibly be a helpful intervention.

Philip Davies: I admire the sense of humour that the hon. Lady has shown in asking the Equality and Human Rights Commission to take up cases of this kind. The commission itself pays men more than women, white people more than members of ethnic minorities and non-disabled people more than disabled people, and its performance this year in respect of the last two categories has been worse than its performance last year. Is it not ludicrous that an organisation that cannot even do things properly itself should take up such cases—or does the hon. Lady expect it to take up cases against itself?

Lynne Featherstone: Well, the unions could help the Equality and Human Rights Commission out of its current difficulties. It does not matter which organisation is failing; where any organisation is failing, including the Equality and Human Rights Commission, it should be brought to book. The answer to this problem is simple: representative actions should be allowed, so that one action can cover and settle many others. *[Interruption.]* Yes, I suppose people could join a union.

In respect of an amendment I had tabled, what happened in Committee was interesting. When a similar one was tabled by a Labour Back Bencher, the Solicitor-General's manner and attitude softened. She is always delightful and accommodating of course, but she said that the Government hoped to be able to respond early in the autumn following the conclusion of some work that was being done by the Ministry of Justice on whether representative actions should come into play in tribunals. She also said that if they could not do so in time for Report stage in this House, they would seek to introduce such provision when the Bill was being considered in the other place. I therefore hope that the Solicitor-General will be able to inform us that progress has been made on this issue, and that the Government will either support our amendment or are committed to its inclusion in the Lords.

The third of the series of issues to do with women's pay is very serious. New clause 5 is about the hypothetical comparator—that is a bit of a mouthful, but, after three stages of the Bill, I can now say it fairly easily. The provision is intended to enhance a woman's ability to bring a successful case. At present, when a woman pursues an unequal pay case, she is legally required to provide a real comparator in respect of her salary. If she wants to prove sex discrimination in pay, she has to be able to give a concrete example of a man in a comparable job being paid more.

Often, however, that comparator simply does not exist. Many people do jobs where there is no one else, and especially no one of the opposite gender, in a comparable role. Such comparisons can therefore be difficult to provide. Furthermore, a higher bar is set for proving sex discrimination in pay differentials than for other forms of discrimination. There is no requirement to provide a real comparator in race or disability cases. In many other countries, a hypothetical comparator is allowed, and the TUC, the Fawcett Society and the Women's National Commission say that the legal hurdle has proved to be a major obstacle where a real comparator does not exist, such as for areas of employment where the work force are almost entirely female.

We know that women's work is often undervalued and underpaid—that is the case for cleaners, hairdressers, carers, dinner ladies and many others—but it can be impossible to prove that, because it is impossible to provide a real comparator. Our amendment follows the lead of many other countries that allow a hypothetical comparator. I do not understand why the Government are resisting this proposal. It simply offers the same protection from discrimination for this strand of inequality as for others; it would set the bar for women fighting against pay discrimination at the same height as the bar for those fighting other forms of inequality.

David Howarth (Cambridge) (LD): The situation is even more extraordinary than that, because even for other aspects of sex discrimination—sex discrimination that does not involve pay—there is no need for a real comparator.

Lynne Featherstone: I thank my hon. Friend for that helpful intervention. One can never learn enough facts that can be used to rally to the cause.

Rob Marris (Wolverhampton, South-West) (Lab): Can the hon. Lady explain how we would pick a hypothetical comparator without assuming what we were trying to prove?

Lynne Featherstone: We would do that in the same way as we would do it for any other purpose: we would evaluate it, audit it and make an assumption about it. The hypothetical question would be: what if a man were to do this job?

New clause 6 addresses defence of the material factor. Although it is important, I shall discuss it only very briefly, as it is about a legal and highly technical point on which we do not seek to divide the House. The new clause would prevent an employer from using a spurious reason to justify discrimination and thereby avoid the obligations under the Bill.

1.45 pm

Finally, I wish to point out that we will be supporting a few new clauses and amendments tabled by Labour Back Benchers, such as that on mariners. We think that abolishing the exemption in respect of the minimum wage is particularly important. We wish to show our support for that. We cannot understand how discriminating by having two different levels of minimum wage can be right. Why will the Bill not change that? We will support that Labour Back-Bench amendment. *[Interruption.]* The hon. Member for Shipley (Philip Davies) asks from the Tory Back Benches whether we will support any of his amendments; I have to tell him that we will not.

John McDonnell (Hayes and Harlington) (Lab): This legislation has the potential to be a landmark Bill for the Government, and I welcome it overall. As an aside, however, may I say that because we have only a little over five hours to debate all the amendments, we will not have sufficient time to address many of them? Indeed, we may deal with less than half of them. That is surprising, because tomorrow in this House there will be a debate on European affairs with no Division, and the next day the House is not even sitting. I therefore wish to put on the record my concern about the management of this business. I shall address both the amendments standing in my name and some that I support standing in the name of my colleagues. Bearing in mind my concerns about time, I shall be as brief as possible.

New clause 24 would introduce statutory recognition for equality representatives. When we introduced other employment legislation—particularly on health and safety, but also on learning within the work setting—we tried to ensure that the representatives of the work force were fully engaged in the implementation of that legislation. Such legislation has been generally supported in the House. There have been debates recently about health and safety, but I think we have got beyond most disputes with regard to health and safety in the workplace. There is broad support in all parts of the House for the idea that on key issues such as health and safety and learning in employment, and also, now, equality issues, it is useful for representation from the work force to be involved in the implementation of the policy itself. In order to do that properly, we need to ensure that these representatives are effective and give them statutory recognition that enables them to have time off and the authority to meet employers to resolve matters on behalf of their work force. This amendment simply seeks to put equality reps, which already exist in many areas of the work force, on the same statutory footing as health and safety representatives.

One argument in favour of this Bill that is supported on both sides of the House is that greater equality in employment matters increases the efficiency of organisations. There is the potential for the companies and agencies people work for to become more effective as a result of being more equal, and therefore more representative of the community overall. I accept that some people may say there are issues to do with the cost of allowing equality reps to have time off for training and so forth, but let me offer the example of what has happened in respect of health and safety. Where health and safety reps have been effective, they have saved the employer money and increased the efficiency of the company because it has been able to avoid litigious disputes on certain issues. That will also be true of equality reps. They will become trained in equality matters, and as a result they will be able to advise both their fellow workers and employers in the implementation of the equality legislation that we shall enact over the coming months. They will be able to assist the company to become more efficient and to avoid lengthy employment tribunals and other forms of legal action. As a result, they will avoid that cost burden in the future.

This has been generally recognised, even by employers. I have seen one survey showing that 70 per cent. of the employers asked about the role of equality representation were supportive of the work that could be done, feeling that there should be at least partial, and perhaps considerable, involvement of trade union reps in the implementation of these polices, and that such involvement would be helpful to them. As I said, there has been widespread support for this approach elsewhere. In 2006 the Women and Work Commission particularly emphasised how effective equality reps could be, and the piloting work done since then as a result of the support that the Government have given through the trade union modernisation fund has demonstrated their effectiveness in practice.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. Friend accept that one of the most acute roles that equality reps can play is with regard to people with disabilities? I am thinking in particular of people who are coming back into work having had a mental health problem and who need friends to help bring them back into the workplace in an appropriate manner; as constituency MPs, we are all aware of examples of that being done very badly. If proper training is provided, this key role will help the Government, because it is part of their agenda.

John McDonnell: In an informal way, that is what is happening on the ground. The hon. Member for Weston-super-Mare (John Penrose) made the point that some equality issues can be best tackled through a mentoring process, whereby fellow workers give the support. However, we need to ensure that there is some authority to that, which is why I wish to put equality reps on a statutory footing. That will increase the impact and effectiveness of this legislation.

Jeremy Corbyn (Islington, North) (Lab): A little later we will deal with a group of provisions dealing with discrimination on the basis of caste and descent. All the reports on that indicate that a lot of discrimination goes on, but the victims are very frightened and are unable to turn to anybody for help or advice because of the whole atmosphere and community in which they are at the time. Does my hon. Friend agree that properly trained and resourced equality reps could be extremely helpful in at least beginning to address this terrible problem?

John McDonnell: The worst thing that can happen is that we enact this legislation without making it effective and then rely on too many informal arrangements that allow the untrained barrack room lawyers to become involved, which in turn places a burden not only on the other members of the work force, but on the company or the agency employing the members of staff. That is why we must put all this on a professional and statutory footing. The recognition of equality reps should not be a contentious matter. As I said before, this has been done in other areas of employment legislation, and I hope that the Government will accept this new clause.

Secondly, I wish to dwell for a short while on new clause 25, relating to the minimum wage for seafarers, tabled by my hon. Friend the Member for Dover (Gwyn Prosser); I hope that he will permit me to do so. He will speak more eloquently than I, but I wish to discuss this matter because it has become a personal crusade for a number of Members over the years. It is eight years since I first raised it in the House and I was hoping that today would be the day when we would resolve it once and for all.

I chair the National Union of Rail, Maritime and Transport Workers parliamentary group, of which my hon. Friend is a member, as is my hon. Friend the Member for North Ayrshire and Arran (Ms Clark)—she, too, has taken up this issue. I wish to pay tribute to the RMT, which has valiantly pursued this campaign over the years. I shall name the officers involved because I want them to receive recognition for standing up for some of the most vulnerable workers in our work force. Thus I pay tribute to the RMT general secretary, Bob Crow, and to Steve Yandell, Steve Todd, James Croy and Malcolm Dunning, all of whom have worked alongside hon. Members from all parts of the House to try to get this matter resolved, and have given advice to the Government on how that should be done.

This process started as a result of an exposé of the low rates of pay of certain workers on British-flagged ships. A number of years ago we emphasised those rates of pay, particularly those of Filipino workers, but I must say to hon. Members that this still goes on; it has not gone away. On the rates of pay for Filipino able seamen on P&O ferries between Liverpool and Dublin—we are not talking about seafarers who are crossing the world, but about seafarers operating on ferries close to us—a Filipino on the Norbay receives £313 a month and a Filipino on the Norbank receives £328 a month. Given that the UK minimum wage is about £1,000, those are poverty wages for people working less than 200 miles away from here, on a UK-flagged ship.

Nearly eight years ago we made proposals in negotiation in which we sought to ensure that at least those people would be paid the minimum wage. We took the matter to the Deregulation and Regulatory Reform Committee—I was allowed to speak, even though I was not a member—and we were given the assurance that they would be paid a minimum wage within British waters. We came back to this House and celebrated a success, only to be told by the Government that this would apply not to "territorial waters", but to "internal waters": that means a boat that is moored, because the term has extremely limited coverage. I used to tell jokes about the Norfolk broads, where I sail, but this is no longer a jocular matter; it is a serious matter because it has gone on for so long.

We then went back into negotiations with the Government to discuss how we could overcome this situation. We were told that the reason why the Government could not move beyond that position was because of various international laws, so we took our own legal advice. We supplied the Government with that advice—on two occasions they were supplied with separate forms of advice—in which it had been confirmed to us that it is extremely doubtful whether their hand is restricted in this way by international laws of the sea. Our latest advice, from Mr. Jonathan Chambers of Quadrant Chambers, clearly states:

"In my view, the proposed amendment"—

the proposal we made previously—

"probably does not interfere with the right of innocent passage protected under section 3 of UNCLOS".

As of yesterday, the Government remain of the view that their legal opinion says that we cannot implement the minimum wage in our territorial waters because of this "interference" with "innocent passage". Even if we cannot resolve this today—if the Government cannot accept the new clause tabled by my hon. Friend the Member for Dover—I must say to them that there must be a way through this. So far they have not been willing or able to share their legal opinion with us. Can we at least share the legal opinions upon which the Government are basing their decision? Perhaps we should hold a seminar—I make this offer—where we get the lawyers together with Ministers and Members of Parliament who are interested in this subject to try to resolve it. I am sure that nobody in this House would want to support a situation whereby people are paid this minimal level of income, on which it is basically impossible to survive. This is poverty pay within the UK jurisdiction.

My hon. Friend the Member for North Ayrshire and Arran has tabled new clause 33 on pay audits, which I wholeheartedly support, and I shall leave it to her to discuss it. As for the difference between the numbers, we simply felt that the numbers would reflect the Government's own attitude on other employment legislation, so we chose 21. Even if we could get the Government to agree to the proposal today, large numbers or workers would still not be included in the overall scheme.

Lynne Featherstone: May I say that 21 or 100 would be fine?

John McDonnell: That is extremely helpful.

I shall now discuss amendment 33, which stands in my name. Ministers have worked extremely hard on this legislation to try to attack harassment. I welcome the part of the Bill that seeks to outlaw harassment at work and tries to place duties on employers to ensure that they deal with the matter. Under the Government's current proposals, clause 38(2) provides that an employer will be liable for harassment by a third party if the third party harasses the worker in the course of their employment—that is excellent—and the employer

"failed to take such steps as would have been reasonably practicable to prevent the third party from doing so."

Again, that is superb. Then, in my view, it undermines the real protection that could be given to employees, because it says that a worker must be

"harassed...on at least two other occasions"

before the employer has a duty to act.

2 pm

That flies in the face of the spirit of the legislation and, I believe, of what the Government originally intended. It means that an employer will be able to send someone out on more than one occasion to a vulnerable situation in which they will be harassed. It flies in the face of the original judgment, if Members can remember, in the Bernard Manning case, where black members of staff were subjected to racial abuse from that comedian when they were placed in such a vulnerable position by their employer.

My amendment seeks to ensure that it does not have to take at least two other occasions before an employer's duty comes into play. The employer should have that duty on all occasions and in that way vulnerable workers will be better protected. The employer will still have a responsibility placed on them, but if they fail to take such steps as would reasonably have been practicable to prevent the third party from behaving in such a way, the legislation would cover them. They would still be protected. They would have to behave reasonably and, of course, if they could not predict that a person would be abused it is not unreasonable that they should not be covered by this clause. To send someone out on a number of occasions on which they are abused, in my view, flies in the face of what the Government originally intended in terms of the responsibilities placed on the employers.

May I discuss amendment 34, tabled by my hon. Friend the Member for Dover, who will also go into it at some length? We have worked so hard on this together, so I want to try to get some clarity about where we are going in terms of the Government's proposals. I would welcome any interventions from Ministers to clarify the process by which they envisage that this next stage will be implemented.

Let me give the background to the amendment. We have worked on this over the past decade, and some hon. Members will remember the debate that we had on the subject more recently. When the Race Relations Act 1968 was implemented 40 years ago, shipping was exempt. We were in a disgraceful position. Discrimination, although it was outlawed on land, could take place on ships. If people did not like the ethnicity of another passenger, they could legitimately refuse under those exemptions to share a cabin. Discrimination took place across the work force.

In 1976, the Government tried to tackle some of those aspects of discrimination in reviewed legislation, but they still left employers' ability to discriminate against seafarers, particularly on wages. As I mentioned earlier, Filipinos are working on poverty wages because of that ability to discriminate. As a result of EU demands for compliance with EC law, the Bill seeks to outlaw all discrimination as regards seafarers and shipping. It also gives the Minister the power to designate who is included within the ambit of outlawing discrimination against seafarers. We sought to ask the Government to publish the regulations by which the Minister will determine the aspects of discrimination against seafarers that will be outlawed.

I am grateful to the Under-Secretary of State for Transport, my hon. Friend the Member for Gillingham (Paul Clark), because he provided us with a letter on 30 November, which was also laid before the House via the Vote Office and the House of Commons Library and which followed up on a letter of 3 August. He enclosed a copy of the draft regulations, which set out the detail, as I understand it, of those seafarers who will be included in the ambit of the legislation. As far as I can see, it includes seafarers from the EC or the European economic area—the list of countries has been circulated in earlier discussions—and ensures that there is a definition of an employment relationship with this country, so that we have some clarity and certainty for those seafarers who will be included in the legislation to outlaw discrimination.

Let me place on the record what the letter says. It says that the employment provisions of the Bill would apply

"to every seafarer on a UK ship with a port of choice in Great Britain, so long as the seafarer either works at least partly in Great Britain, or is a UK or other EEA national (or has corresponding EC law rights) and has an employment relationship sufficiently linked to Great Britain."—[*Official Report*, 30 November 2009; Vol. 501, c. 115WS.]

I would be extremely pleased if we could get some clarity about what

"an employment relationship sufficiently linked to Great Britain"

is at some stage. It adds to the confusion about the ambit of the regulations.

The Government have written to the various stakeholders to say that there will be a further consultation on the issue of pay, requesting evidence from industry representatives and the trade unions and evidence-based financial estimates of the likely impact of either outlawing differential pay rates altogether or continuing to allow the payment of differential rates to seafarers, but only where such differential rates would not operate to the disadvantage of nationals of EC or EEA states or to that of seafarers recruited in Great Britain.

That consultation will now take place. We had a consultation, which lasted six months, in 2007. My understanding is that if the Government are convinced

that there are evidence-based financial estimates that demonstrate that there should be some continuation of differential pay rates, the regulations will be subject to affirmative resolution after the Bill is enacted. That means, in fact, that if the Bill is enacted on 1 April, for example, and implemented next October, the regulations will be honed down during that period and only then will they come into force. That is almost a year in which people will be subjected to discriminatory pay rates.

May I suggest to the Government that the simplest way of doing this would be for the consultation that is taking place, which Ministers have suggested will be short and sharp, to end early in the new year and for the decisions on the regulations to be made fairly swiftly? Rather than awaiting the enactment of the legislation and the publication of the amendments, the regulations could be enacted through the Bill. When the Bill gained Royal Assent on 1 April, so would the conditions and the import of the regulations. In that way, we could tackle discriminatory pay among some of the poorest workers immediately. That would send out a message about the Government's determination to seek equality in this field, where we have had such inequality for such a long time.

I await the Minister's response on all this and the advice of my hon. Friend the Member for Dover about which issues he will press to a vote. This is such a fundamental issue of principle that I hope we will see some Government movement. I am sure other hon. Members will wish to see that, too.

May I now discuss amendment 24, which I have tabled? It has been raised in the discussions already and is a further amendment on the subject of the minimum wage. I cannot remember on how many occasions I have tried this—it becomes like a hardy perennial. My intention is to try to remove the discrimination against young people in the minimum wage legislation.

I come from a basic trade union background, and I believe that someone should be paid the rate for their job. That rate should be based on the work that they do and the value that they add to the company's work—and therefore their assistance towards its overall profit and future sustainability. A person who is making that contribution should be paid the rate for the job, no matter what age they are. This amendment would remove the ability to discriminate on the basis of age. If there are arguments to be made about the deterrent effect that such a change would have on the employment of young people, we need to see the evidence behind them because it has never been produced. We have never had any quantitative estimation of how many young people would be disbarred from employment as a result of being paid the rate for the job. The argument is the same as the one we had about the basic principle of having a minimum wage. We were told that it would cost jobs and would undermine the profitability of companies, but that has not happened. *[Interruption.]* I am happy to give way if the hon. Member for East Antrim (Sammy Wilson) wants to say something.

This issue concerns basic principles of justice and equality, and I urge the Government, even at this late stage, to give some indication that, even if they cannot address it in this Bill, we will at least have a proper review about age discrimination against young people. I want to get a real debate going and get some real information about this issue, because it has not been considered satisfactorily by the Low Pay Commission and others, and it has become almost a given. I shall not press the amendment today because it looks as though we will be allowed only a few votes, given the way that time has gone on in this debate, but I say to the Government that I am not going to give up on this, and neither will other Members of the House. We will come back to it again and again until we have tackled this discrimination against young people.

Philip Davies: It is a pleasure to follow the hon. Member for Hayes and Harlington (John McDonnell). I do not agree with him about many things, but he is a great parliamentarian who always makes his case particularly well.

May I start by thanking Mr. Speaker for his generous allocation of amendments for debate? His selection allows for a broad range of views to be heard, and we should all be grateful for that. I am aware that my views tend to be in a small minority in this place, but I have always believed that for a parliamentary democracy to work, everybody in the country should feel that someone in the House is speaking up for them. My views might have very little support in this place, but there is an argument that they have slightly more support out in the country as a whole. I am very grateful to Mr. Speaker for allowing the amendments in this group, about 20 of which are mine, to be debated.

I want to reiterate the point made by the hon. Member for Hayes and Harlington about the time scale set out for the debate. There are many important issues further down the line that I would like us to debate, so, although I have tabled a large number of the amendments in this group, I shall endeavour to go through them as quickly as possible to allow some of those other important matters to be debated as well. It is a sad state of affairs when hon. Members who want to debate issues that they feel strongly about have to apologise at the start of their speech about not being able to express their views clearly because of the lack of time allowed for debate.

The first amendment in the group that I have tabled is new clause 36, which states simply that the Bill would

"not apply to any employer who has fewer than 250 employees."

When I was framing the amendment, I intended to have a number far smaller than 250, which I thought quite high. I thought perhaps 25 or 50, but I eventually plumped for 250 because clause 75 on the gender pay gap—I shall come back to that clause later because I wish to delete it from the Bill—says that measures on gender pay gap information will not apply to

"an employer who has fewer than 250 employees".

Given that the Government feel that businesses of fewer than 250 employees are so small that they should not have to abide by all these measures, I thought that, in the spirit of co-operation, I would go along with their figures.

2.15 pm

Sammy Wilson (East Antrim) (DUP): I understand the reasoning behind the hon. Gentleman's point, but does he recognise that in a place such as Northern Ireland, where, thankfully, the Bill will not apply, even his amendment would mean that 90 per cent. of all sources of employment would be encompassed? They would be subject to the regulatory aspects of the Bill, which would add considerably to their cost burden.

Philip Davies: I am grateful for that helpful intervention about the situation in Northern Ireland, which the hon. Gentleman knows far more about than I do.

I fear that the Government place regulation upon regulation on businesses, whether big or small. The thing in the House that causes me the most despair is the attitude of many Members—particularly, but not exclusively, Labour Members—who start from the premise that every business, however big or small, is simply a licence to print money. They think that if the dead hand of the Government were not involved in every element of policy, every business would automatically do everything it could to be as bad an employer as possible and to stuff its customers at every opportunity. I despair because that shows such a lack of knowledge about how businesses work. In my experience, every successful business has two things in common: it looks after its customers and it looks after its colleagues at work. Similarly, every failed business has two things in common: it does not look after its customers and it does not look after its colleagues at work. Much of the nanny state regulation is not necessary because every good business and every business that is likely to succeed knows perfectly well that in order to succeed it needs to look after the people who work for it and the people who pay the bills as customers. I can say in all honesty that, of those two categories, the most important group to look after is the employees because they look after the customers.

John Mason: Does the hon. Gentleman accept that the evidence, historically, is that what he says is not the case? Before the minimum wage came in, employers were paying, in my memory, ridiculous amounts such as £1 an hour to security workers. The gap between those at the bottom and those at the top is getting wider, so he must surely accept that there is no evidence for his argument.

Philip Davies: There is plenty of evidence for my argument. I am quite happy to debate the merits or otherwise of the minimum wage with the hon. Gentleman, but given the time that we have available and the number of things that we want to get through, now might not be the most appropriate time to do so. I shall seek him out in the Tea Room and we can pursue this matter further at a later date.

The point that I seek to get across with this new clause is that no big business started out as a big business; all big businesses started out as small businesses. I am greatly worried that many of our future potential big businesses are being strangled at birth by the Government, who place upon them burden after burden that might be easy for big companies to adopt but that are much more difficult for small businesses to adopt. The end result is not that such businesses employ men and women equally, but that they employ nobody because they are put out of business by excessive regulation.

Let me cite as an example my former employer, Asda, which had more than 140,000 employees by the time I left. Regulations regarding employment and other matters are in many respects meat and drink to an organisation such as Asda, which employs people to deal with and implement them. When so many people work in one place, it is easy to accommodate someone who needs flexible working. I do not worry about big businesses like Asda or Tesco—and my hon. Friend the Member for Weston-super-Mare (John Penrose) mentioned the latter earlier—because, good employers though they are, they are big enough look after themselves to a large extent. My worry about this new clause has to do with what we are doing to help smaller businesses that are just starting out and taking a big risk. We want to encourage them to employ people, but I fear that implementing the provisions of this Bill in full and as they stand will cause more and more employers to do as much as they can not to take on employees. That is because they will be petrified of all the legal implications, requirements, tribunals and so on. It seems perverse to introduce legislation that will do more to deter people from employing staff than it will to encourage them to do so.

Rob Marris: As a successor to Enoch Powell as Member of Parliament for Wolverhampton, South-West, I ask the hon. Gentleman whether he is really content that new clause 36 would mean that a company with 249 employees would be permitted to discriminate racially against those employees? That would be the effect of the new clause, and I find it outrageous.

Philip Davies: The hon. Gentleman makes a fair point, which I appreciate, but I think he will accept that that is not the purpose of my new clause. As I said when I started, any successful business in this day and age will do what the Bill proposes anyway. Some of the things that went on in the past were completely unacceptable, and no one would argue otherwise. However, we are in a totally different place these days, and many of the measures in the Bill are superfluous to requirements.

As ever, we need to strike the right balance. The purpose of the Bill is to ensure that no employer discriminates against a person based on mindless racism: equally, however, I hope that the hon. Member for Wolverhampton, South-West (Rob Marris) would not want many small businesses to fail and close down as a result of some of the things that might be unintended consequences of this Bill.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The whole House shares the hon. Gentleman's concern that small businesses should not be overburdened by regulation as, in their totality, they are major employers. However, when he says that racial discrimination in employment is in some sense a thing of the past, is he certain that it no longer happens in places of work? I think that the good people of Yorkshire would be surprised to hear that.

Philip Davies: It may or may not still happen. The hon. Lady may have different experiences from me, and I shall not gainsay her opinion. However, the purpose of the new clause is to flag up the fact that, if this House continues to pile regulation after regulation on to businesses of whatever size, the outcome will not be more fair employment but less employment across the board, for everybody. I absolutely accept her belief in racial equality and applaud her work on that over many years, but my fear is that with the Bill's emphasis on positive action and so on, we will end up with discrimination working in reverse.

Many hon. Members seem to think that because ethnic minorities and women have been discriminated against in the past, the solution must be to discriminate

[Philip Davies]

in favour of them in the future. I do not believe that that is the solution to the problem of discrimination: I believe that we must solve the problem of discrimination by ending discrimination, as I shall explain.

Rob Marris: Will the hon. Gentleman give way?

Philip Davies: I hope that the hon. Gentleman will forgive me, but no. I am sure he will want to intervene about other things in my speech, and I shall try to be as generous as possible, but I am mindful of the time and the other amendments that need to be debated.

That brings me on nicely to my new clause 38, which would make it

"unlawful for a public authority to promote or engage in any form of affirmative or positive action, as defined in subsection (4), when recruiting employees and making appointments."

Given what the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) has just said, I presume that she will support this new clause. I know that she believes passionately in equality, and racial equality, and that all jobs should be given on merit, irrespective of race, gender or sexuality. That is why I presume that she will be happy to support new clause 38, which in effect would enshrine that requirement in law. It would make it unlawful to look at people in terms of their colour, sexuality or gender. That would no longer be tolerated or allowed.

Anyone who truly believes in equality must surely believe that people should be given jobs on merit, irrespective of their colour, gender, disability, nationality or religious belief. That is what my new clause 38 would achieve, and I should be interested to know how anyone in the House could have a problem with giving people jobs on merit.

The only people who are racist or sexist or discriminatory in any of the senses that I have set out are those who see everything in terms of race or gender. Most people in this country do not see things in those terms—I certainly do not. When I was recruiting people, I could not care less about their background, race or gender; I just wanted the best person for the job, and my new clause would enshrine in law the requirement that people are given jobs on merit.

Sammy Wilson: The hon. Gentleman will know that positive discrimination of the sort that he mentions has been exercised—and on a huge scale—in Northern Ireland, where there is 50:50 recruitment into the police force. His proposal would safeguard people from discrimination, but sometimes people who get jobs feel that they have got them not on merit but because of positive discrimination. Does he agree that his new clause would protect them from that? Indeed, many Catholic recruits to the Police Service of Northern Ireland have said that they would rather have been chosen purely on merit and not as a result of positive discrimination based on law.

Philip Davies: The hon. Gentleman is absolutely right. He makes a powerful point, which is that an approach based on positive discrimination and positive action can build up resentment among other parts of the population that would not exist otherwise. The upshot is that that approach, rather than doing a great deal for race relations and helping equality for women, instead does the exact opposite because people no longer feel that jobs are given on merit. They feel that other people are getting a fairer lick of the sauce bottle, so they build up a resentment that otherwise would never exist.

Ms Abbott: I listened with interest to the concern expressed on the other side of the House for people with jobs or senior positions who might agonise in the dark watches of the night about whether they really got their posts on merit. Could it be that the hon. Gentleman is thinking about all the white, male old Etonians on the Tory Front Bench?

Philip Davies: I am sorry that I gave way to the hon. Lady. She usually makes a helpful and positive contribution to debates in the House, but I am afraid that she has let herself down on this occasion.

The serious point that I wish to reiterate is that, if we in this House want equality legislation, we should enshrine it in law that all jobs and positions must be given on merit, irrespective of race, gender, sexual orientation or nationality. All that should be totally and utterly irrelevant: in my mind, only a Bill that does that can truly be called an equality Bill.

Mr. Mark Harper (Forest of Dean) (Con): My hon. Friend has referred to disability, but to give people who have a disability an equal chance to get a job on merit it is sometimes necessary for employers to take steps and make reasonable adjustments. In that way, a person with a disability can compete on a level playing field and get a job fairly. The problem with the way that my hon. Friend has framed his amendments and new clauses is that an employer who took steps to make those reasonable adjustments could well fall foul of the discrimination provisions. That is something that he needs to think about.

Philip Davies: I do not agree with my hon. Friend, which is a rare thing for me to say, because nothing in my new clause would stop anyone wanting to do those things if they so wished and if that helped them to recruit the best person for the job on merit. My new clause would encourage someone to go to those lengths, to recruit the best person for the job—that is certainly its purpose—and I am very surprised that any hon. Member is opposed to giving people jobs on merit, but that is a reflection of the way that political correctness has taken over the House, as well as many other parts of the country.

2.30 pm

I will move on to some of the other amendments, and I will try to spend a bit less time on some of them. My amendments 60 to 64 cover the ground about work of equal value and touch upon where the Solicitor-General started the debate about favouring minority groups when two people of equal ability apply for a job. My amendments would remove the provisions that allow for that. For me, this is absolute fantasy world. It is all very good in an academic university lecture theatre to talk about what will happen when two identical people apply for a job and about two people who do jobs of equal value, but I ask hon. Members where on earth those situations ever exist in the real world. I have

recruited many people in my time. I have never yet even remotely come across a case where two people have exactly the same ability and are exactly the same. Unless the Government envisage lots of twins applying for the same jobs right across the country, this is a completely meaningless, pointless and academic argument. *[Interruption.]* Does the hon. and learned Lady want to have a bash, or is she just chuntering?

The Solicitor-General: No; I was talking to the hon. Member for Weston-super-Mare (John Penrose) and saying that the hon. Gentleman's comments apparently support the stand that we take: people look not for a pair of twins with identical qualifications but for people in a category who are all equally suitable, and there is then some practical effect. So we are glad for the support.

Philip Davies: The hon. and learned Lady misses my point: it is the Bill that introduces such nonsense into the debate. Such circumstances never exist, and my fear lies in my cynicism about the Government's real motive. I suspect that they know full well that those cases never exist and that such nonsense sounds good in a university lecture theatre but that it will never happen. They want to introduce a chilling effect into employment. The outcome that they seek is for employers to want to avoid at all costs any possibility of being taken to an employment tribunal or having legal action taken against them. So they do not envisage two people of equal ability applying. For example, if a man is better qualified than a woman but perhaps by not a great deal, they want the employer to take on not the man but the woman. Such legislation has a chilling effect to try to stop employers doing the opposite, but those cases never exist; it is the kind of discussion that we tend to get among primary school children in the playground. Indeed, my six-year-old son has probably gone past that kind of debate. I am very disappointed that the Government want to enshrine such pointless nonsense in an Act of Parliament.

John Mason: I thank the hon. Gentleman for giving way again, and I am happy to meet him in the Tea Room to talk about any of these issues. Does he accept that, in fact, such cases do not always involve two people who are equal and one of them is preferred to the other, but a woman, or perhaps a disabled person, who is better qualified and better able than the white male, or whoever, and who does not get the job? If we look at society, we see that there is clear discrimination, and we need to do something about it.

Philip Davies: Indeed, and I urge the hon. Gentleman to support new clause 38, which would ensure that people were selected on merit. That would do the job nicely. The incidents that I am talking about have nothing to do with that problem. I am talking about identifying people who are absolutely identical—they do not exist—and jobs that are deemed to be of equal worth.

Who determines which jobs in a business are of equal worth? Surely, the only person who can determine whether or not two different jobs in a company have equal worth is the company itself. How on earth can the Government decide for an employer which jobs in a company are of equal worth? How can a tribunal or judge do so? The only people who can do so are the employers themselves, because of the difference that the jobs make to their companies. All these provisions are absolute nonsense. Either they are completely pointless, or they will have a terrible effect, so I would rather that they were not in the Bill at all. That is why my amendments would delete them.

Lynne Featherstone: The hon. Gentleman has gone on about the best person for the job, but does he agree with me—probably not—that the definition of what is best might make a difference to the employer? The word "best" has traditionally covered the skills that are male, but what is actually best might be completely different. Does he therefore agree that, if people are equally qualified, considering what is best could equalise the work force?

Philip Davies: The hon. Lady introduces into the debate the fact that what is best is a subjective matter. It therefore seems even more pointless to try to pass all these things to a tribunal and a court for a decision, because they are obviously subjective. Who is to say that her view is more relevant than someone else's or that the tribunal chairman's view is more relevant than the employer's. They are, by definition, subjective. So rather than my agreeing with her, she appears to be agreeing with me.

Amendments 65, 66 and 67 deal with an interesting part of the Bill. In effect, the Government are saying on this equal jobs thing that if A can demonstrate that they are being treated less favourably than B, the terms for A must be changed to match B's terms. It is an interesting theory that, in effect, everything must be equalised upwards. If the Government and Labour Members are absolutely committed to equality, they should not care whether the terms are equalised upwards or downwards, so long as they are equal. So why on earth is it necessary to equalise upwards? Why will the Government not allow the terms to be equalised downwards? If we are talking about an equality Bill, that should be neither one thing nor the other to the Government.

Some recent disputes with local authorities provide some evidence of why such an equalising measure is not in the Bill. Leeds council is a prime example, where the binmen have been on strike over pay for about 11 or 12 weeks. The reason why everyone is up in arms in certain local authorities—Sheffield is another one that suffered from this—is that, because of the single status thing, everyone in jobs with a predominance of certain genders had to be paid equally. That ended up with lots of people being paid less, so they all went on strike.

It strikes me that, out there in the country, there is no great demand for equality; people just want to have their terms and conditions protected. I want the Government to have the courage of their convictions. If they believe that equality is the be-all and end-all of any legislation, let them put it in the Bill that people's conditions can be equalised downwards as well as upwards. I suspect that their commitment to equality will probably not go that far.

I will rush through amendments 68 to 70, because they are minor matters. Amendment 68 would leave out clause 66(3), which states that

"the long-term objective of reducing inequality between men's and women's terms of work is always to be regarded as a legitimate aim."

[Philip Davies]

I do not see that as something that should always be regarded as a legitimate aim, because it might inadvertently allow another practice to take place that people might find unacceptable. I do not necessarily see that as a legitimate aim, and I do not think the hon. Member for Hornsey and Wood Green (Lynne Featherstone) does either, if she is honest about it. She did not accept that for part-time work, women are paid a higher hourly rate than men, but that is the case, as shown by figures from the Office for National Statistics.

I know that the Government fiddle the figures from the Office for National Statistics and get into terrible trouble for so doing, but the facts are that the average pay for a woman part-time worker is £7.51 per hour and the corresponding average pay for a man is £7.26. I do not think that that is illegitimate, and there may be all sorts of reasons for it. A high proportion of the women who tend to do part-time work may have had a career beforehand and choose, because they have had a family or it suits their circumstances best, to go into work in which they have a lot of experience and expertise behind them. The men who tend to do part-time work are much younger—people who leave university or school and therefore have less experience. It is inevitable that part-time women workers will be paid more, on average, than part-time men workers. I do not see that as a bad thing. It reflects what the real world is like out there. We do not need clauses to stop that practice. That is wholly unnecessary.

Amendment 69 deals with maternity pay and the requirement that women's pay when they return to work should be what it would have been if they had not been away at all. How on earth can anybody know what somebody would have been paid if they had not taken nine months or a year off? They might have got a promotion, if they had been there to apply for it. That is totally unenforceable, and I am not sure that it is particularly desirable.

Amendment 70 relates to the discussions on pay among employees. The Bill would oblige employers to disclose what other people were paid. I do not know how many hon. Members in the Chamber have worked in big companies, or in small companies, for that matter. I can think of nothing more likely to cause friction in the workplace than everybody telling each other how much they are paid. People may be paid differently for all sorts of reasons. It may be nothing to do with their race, gender, sexuality or whatever. There may be other reasons why people are paid more or less. All I can say to the Government is that if they introduce that clause, there will be more fighting going on in workplaces around the country than we have ever seen, and the number of days on strike will probably go up massively.

Clause 75 deals with the gender pay gap. As I said, I do not see it as a problem that part-time women workers are paid, on average, more than their male counterparts. I do not see why Members see that as a problem and I look forward to hearing from the Minister why she is wholly opposed to part-time women workers earning, on average, more than part-time men workers.

The question arises whether it will be possible to implement these measures. The Equality and Human Rights Commission exists to lecture everybody else, as the Minister said, and if she has her way, to take recalcitrant employers to court over the gender pay gap and other such matters. I shall be charitable. I do not think the Equality and Human Rights Commission is a particularly nasty body, or that it sets out to discriminate against ethnic minorities, women or disabled people. Perhaps it does. If someone holds that view, let them stand up and explain why they believe that.

However, even the Equality and Human Rights Commission pays its male staff, on average, more than its female staff. It pays its white employees more than their ethnic minority colleagues, and its non-disabled staff more than its staff with disabilities. If even the EHRC cannot meet the Government's aims, how can they expect it to go round the country lecturing everybody else on how to do it? It is utter nonsense.

2.45 pm

Sammy Wilson: The hon. Gentleman makes an interesting point. That seems to be a trait among the equality industry right across the United Kingdom. Is he aware, for example, that in Northern Ireland the Equality Commission, which has come down very hard on employers where there is an imbalance between those who come from the Catholic community and those who come from the Protestant community, has gross inequality in its employment practices, employing many more Catholics than Protestants, and justifying that as well?

Philip Davies: I take on board the hon. Gentleman's point. The information about the Equality and Human Rights Commission is published. Every year I ask what the pay gap is. When I asked the question recently, it emerged that on race and on disability the pay gap at the EHRC is considerably worse this year than it was last year, so it is not as though the EHRC is getting there gradually—it is going backwards. This is public information. Publishing the information does not make everything hunky-dory. I fear that much of the Bill is motherhood and apple pie, enabling people to feel good about themselves, but it is a fantasy world, not the real world.

Amendments 75 to 78 are minor amendments. Amendment 75 would exempt the armed forces from the provisions of certain parts of the Bill. The purpose of amendments 76 and 77 is to question why the Government are so keen to see proceedings move from courts to tribunals. My fear is that the Government feel that it will be easier for people to take discrimination cases to tribunals than to courts. They are trying to throw as many cases as possible before tribunals to get the outcome that they want.

Amendment 93 covers positive action. I have spoken at length about why I believe positive discrimination and positive action are bad. The final five amendments of mine in the present group relate initially to pensions. Amendment 127 refers to schedule 9, which contains lists of categories—religious group exemptions, it seems to me—to which certain provisions would not apply. One such case envisages a requirement not to be married in order to qualify for a particular job. My amendment adds to that a requirement to be married. If, in some cases, it is fine that not being married is a requirement, by definition it should be fine that in some cases there is a requirement to be married.

My last two amendments are important. Many people in the country are concerned about age discrimination. The hon. Member for Hornsey and Wood Green said at the outset that she did not agree with any of my amendments. I look forward to her telling the House why she is against these amendments. The Bill allows employers to force people to retire at the age of 65. My amendment would delete that requirement and would not allow employers to retire people forcibly when they reach the age of 65.

I am interested not only in the hon. Lady's position on this, but in the Minister's position. If she truly believes in equality, why does she think it is fine that somebody is doing a perfectly good job aged 64 and 364 days, but the next day, when that person is doing an equally good job, the employer should get rid of them by forcing them to retire?

I should have thought that age discrimination was an important topic to cover, so, if the Bill is about equality and about trying to get rid of different forms of discrimination, why does the Solicitor-General think it fine to force people to retire aged 65? They are presumably just as good at their job on the day that they turn 65 as they were on the day before that. That is where the Government get into problems with such Bills. They have a hierarchy of equality: some protected characteristics, as they call them, are more important than others. That flies in the face of what an equality Bill should be about, so, if the Government believe in equality, let them bring forward a Bill that delivers on equality.

I have a problem with the Bill before us, and my amendments are important because, through them, I am trying to deliver a Bill that offers true equality, whereby people are given jobs on merit and are not just fired for the sake of their age. If the Government want to show that they truly believe in equality, they will incorporate those proposals.

Lynne Featherstone: The hon. Gentleman has caught me out. That is one of his amendments with which I do, sadly, agree. Age discrimination, which we discussed at other stages of the Bill, is not appropriate, and the existing provision is an oddity in the Bill.

Philip Davies: A rare triumph! I have actually got a Member—a Liberal Democrat Member, I might add—to agree with me on a matter relating to the Equality Bill. I can leave this Chamber a happy man. Whatever else happens throughout the course of today, I shall be able to go to bed tonight, lie there, smile and think, "I've actually had a rare triumph." It is a red-letter day for me, and on that basis I will quit while I am ahead.

Gwyn Prosser (Dover) (Lab): I shall speak to new clause 25 and amendment 34 in my name. Both are proposed changes that seek to remove the terrible discrimination against non-UK seamen sailing on British ships between British ports.

New clause 25 would apply the national minimum wage to seafarers who are either ordinarily resident in the UK and sailing on British-registered ships, or sailing on ships that trade solely between UK ports or offshore installations—a very narrow definition. It could be argued—indeed, it has been in this House and in the other place—that the minimum wage should apply to all seafarers on all UK vessels when they are trading in UK territorial waters. That seems to me, to the National Union of Rail, Maritime and Transport Workers, to Nautilus International, of which I am still a member, and to the TUC to be a very reasonable way of removing the inequalities in current legislation and putting an end to the shameful exploitation of non-UK seafarers on British ships.

Unfortunately, Ministers in both Houses have resisted such reform for a series of reasons. Although I and supporters of the reform do not consider those reasons to be valid, we have none the less taken heed of them and narrowed our new clause substantially. New clause 25 is therefore very narrowly scripted as a means of making some progress, because under current law some ship operators are getting away with murder. We have evidence of pay rates, conditions of service and hours of duty that have been described as "modern-day slavery".

There are countless examples of poverty pay on British ships trading between British ports. My hon. Friend the Member for Hayes and Harlington (John McDonnell) gave two examples, but there are many more. For instance, Streamline, operating from Aberdeen to Lerwick, pays just £314 a month—one third of the national minimum wage equivalent; Varun shipping company, which sails out of Aberdeen and from Peterhead to the offshore oil industry, pays workers as little as £262 a month. Some Filipino seamen are paid just over £2 an hour; Estonian able seamen—qualified able seamen—on the regular Heysham to Belfast service are on just £433 a month; and the list goes on. It is not restricted to a couple of examples; it is wide-ranging and getting worse. Sadly, there are many other shameful examples, and that cannot be right, which is why the unions have been pressing for reform for so long.

The remaining arguments against extending the national minimum wage in the circumstances described in new clause 25 are becoming fewer and entirely predictable. The Chamber of Shipping argues that some operators might flag out of the British flag, but that is the sort of blackmail that big business and employers adopted during the introduction of the minimum wage in the first place. Whenever workers' rights are improved, big business, the CBI and the official Opposition come forward with all sorts of nightmare scenarios for a particular case. We know from the national minimum wage negotiations, and from the fact that we are now 10 years on from them, that none of those dire predictions came true; in fact, most changes went in the opposite direction to those that were forecast.

John McDonnell: Will my hon. Friend remind the House that when the Government became the Administration in 1997, we introduced the tonnage tax to support such companies? Between £80 million to £100 million has been given to them in total, and the quid pro quo was that they would promote British seafaring employment, but that has not occurred.

Gwyn Prosser: My hon. Friend is absolutely right. Since Labour introduced the tonnage tax, the volume of traffic under the British flag has trebled—a massive change. When we introduced the tax, the British flag register was so small that many people, the industry and the Chamber of Shipping included, thought that it would disintegrate, and that the flag would no longer be credible. During the original negotiations, promises and

[Gwyn Prosser]

assurances were made that the increase in the British flag registry would be reflected in more training and more jobs for British workers, but that never happened, and that is wrong. In fact, we are meeting the Prime Minister shortly to pursue the matter.

Going by the many meetings that we have had with Ministers and officials over the past eight years, I get the feeling that they are starting to agree with our sentiments on equality. They understand the principles behind reforming the law and making things fairer, and their only defence is that the changes conflict with the international law of the sea. I hope that the Solicitor-General will comment on that point when she responds.

We are told that Foreign and Commonwealth Office lawyers say that, in their opinion, applying the minimum wage as described would infringe the law of the sea and the rights of innocent passage. Indeed, that has been the Government's view since we started pressing for these reforms—a long time ago. In the final paragraph of a letter dated 9 November that the RMT and I received recently, my very good friend, the Under-Secretary of State for Transport, my hon. Friend the Member for Gillingham (Paul Clark) wrote that

"the Government's interpretation of the law…is legally sound. Therefore, it is with regret that we cannot consider this matter further. I understand that this will be a disappointment to you but I know you understand the importance of adhering to international law."

Well, we were disappointed, not least for the reasons that my hon. Friend the Member for Hayes and Harlington outlined a few moments ago, and for the fact that our legal advice indicates that new clause 25 would not, contrary to what has been said, infringe the international law of the sea. So far, we have been denied sight of the Foreign Office's legal advice, and we look forward to seeing it sometime.

I am not a lawyer or trained in the law, but I have spent many years at sea, and my lay understanding of innocent passage has always been that vessels should be allowed to sail on the high seas and in other countries' territorial waters without the threat of being stopped, boarded, searched or impounded. It is hard to relate those important and widespread protections to the narrow issues in new clause 25 and the application of the national minimum wage. These inequalities have persisted for far too long, and they cry out to be part of this important Bill. Without a far more positive response from those on the Front Bench, I intend to press the new clause to a vote when the opportunity arises.

3 pm

John McDonnell: Apart from the fact that the Government seem to be isolated in this interpretation of the law, I remind my hon. Friend that in numerous debates in this Chamber he has cited the concept that the other pieces of legislation that we have enacted—on health and safety, criminal law and so on—do apply to ships that pass through British waters. Why, therefore, does this legislative proposal, exceptionally, not apply?

Gwyn Prosser: My hon. Friend is absolutely right. A third fairly recent example is that of the Corporate Manslaughter and Corporate Homicide Act 2007, which specifically covers all sorts of contingencies in home waters and, indeed, in waters overseas. There are ways of providing these reforms without conflicting with or infringing international law.

Amendment 34 is also to do with giving better rights to non-UK seafarers. It relates to the Race Relations Act 1976, which exempted seafarers from all the good things that it introduced. In the past 48 hours, we have had the publication of the regulations that we are told will be attached to the Bill. We have been asking for—shouting for, perhaps even demanding—those regulations, not for many months, but for many years. They are a step forward; they show some sort of progress. We have had private assurances from the Minister on their likely future progress, and we have been assured that they will remove at least the worst elements of discrimination and pay differentiation on vessels sailing in British waters. We look forward to hearing more about how that will be taken forward.

John McDonnell: I want to ensure that the House is fully clear about just how far we have compromised on this matter. Under the proposals that the Government put forward for consultation, there is still a prospect that there will be differential rates of pay with regard to nationals of any EC or European economic area state. The Philippines is excluded from the list of countries in the proposals, so Filipino workers could still be discriminated against in terms of race. The proposals still include this phrase,

"the difference in rates would correspond to a difference in the costs of living in the places where the seafarers respectively habitually reside."

In other words, we have compromised even to the point where there will still be groups of people out there working on ships who are paid at the rate of their country of origin. We tried to reach a compromise with the Government whereby at least the bulk of them would be paid a fair rate for the job.

Gwyn Prosser: Again, my hon. Friend is absolutely right. In my view, the Government have moved the minimum amount that they were forced to move in order to comply with European Union law. That means that they have left out all sorts of other categories of workers of other nationalities who are being exploited today and will be exploited in future. We look forward to receiving responses from Ministers that are, I hope, a bit more reassuring than what we have had in the past.

Ms Katy Clark: First, I want to put on record my support for the Bill, which is a landmark piece of legislation that will help hundreds of thousands of people in the years to come.

I want to speak to new clause 33, which I have tabled and would like to put to the vote at the appropriate time. I noted the comments of the hon. Member for Hornsey and Wood Green (Lynne Featherstone). It is important that this House debates and divides on the issue of mandatory pay audits, and I believe that my new clause would be the appropriate one to vote on given that it proposes a lower threshold of 21 employees in the workplace. I will come to that at a later stage in my speech, which I will try to keep relatively brief given the time constraints on the House.

The Equal Pay Act 1970 came into effect in 1975. There has been considerable movement in relation to men's and women's pay since then, but it has been very slow and it has been a struggle. As a result of the equal pay legislation, thousands of women have gone to employment tribunals with equal value and equal pay cases. Those cases have been very difficult to take

forward; in many cases, it has taken many years. I was involved in a piece of mass litigation on equal value in the national health service that took eight years, and I know of a case involving women speech therapists—a landmark case—that took 13 years to resolve. At the end of those lengthy periods, the women concerned did not get the full value of compensation that they would have achieved had they won at the employment tribunal. Because they knew that they were going to have to wait for many more years before they got to that stage of the proceedings, they decided to take a proportion of the compensation that they would have been successful in obtaining had the case gone through the whole process. Too many of those involved had retired or died, or their circumstances had otherwise changed, and they took the view that they had to take compensation at that stage instead of pursuing the matter to the bitter end.

Equal pay and equal value cases take such a huge amount of time because of the difficulty of taking them through the tribunal and the wide range of technical defences that are available to employers. Cases of this nature place a huge burden on the women who bring them; being the focus of such a case is a very pressurised experience. I therefore support new clause 4 on representative actions. We need to look at the ways that other countries have dealt with these problems. It is clear that taking class actions, or representative actions, is a way of ensuring not only that the onus is not on one individual at the tribunal but that more people benefit when they win.

I also support the amendment on hypothetical comparators. That factor applies in many other countries and there have been many employment tribunal decisions about it. I think that it is already lawful in this country, but putting it on to a statutory footing would help to underpin it.

Ms Abbott: Does my hon. Friend agree that class actions have proved very effective in places such as America? By their very nature, people bringing class actions will be the lowest paid, often the most junior and marginal members of an organisation, and it is asking too much of them, as individuals, to take action one by one.

Ms Clark: My hon. Friend is absolutely right. It is women workers such as cleaners, catering assistants and shop assistants who are taking these types of actions, and they are simply not equipped to take on such litigation. That is why trade unions often fund these cases, which are very expensive.

John McDonnell: I agree. However, it is not only a case of not being equipped—there is also retaliatory action. We have just discovered, through the Information Commissioner, that 3,000 workers have been blacklisted by employers, mostly because they have taken actions against employers.

Ms Clark: Indeed, and I understand that regulations were published today on that issue. I have not had the opportunity to examine them, but I understand that the 3,000 people involved will not really get any justice or compensation for the discrimination against them. We know from our history that those who stand up, take action and fight are victimised. That is why many of us have fought for many years to bring in anti-victimisation legislation—so that people can take up such cases. I agree with my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) that class actions are one of the most effective ways to do that.

We still have a huge problem with equal pay in this country. We have had quite a bit of banter about statistics, but it is clear that since 1975, when the 1970 Act came into effect, the trend has been in the right direction in the sense that the gap between men's and women's earnings has narrowed. That has not been a constant trend, and there have been years when it has increased. In the last year for which we have statistics, 2008-09, the gap got smaller, but in the year before that it widened.

We have heard a lot about the figures, and we know that the pay gap for full-time employees is somewhere between 12 and 13 per cent. For all employees it is more like 22 per cent. As has been pointed out, different information becomes clear depending on how we look at the statistics. Far more women work part time, including those who are well qualified and had well-paid employment before having children and then deciding to go back to work on a part-time basis. It is clear from the extensive research that such women are paid a lower hourly rate than men undertaking similar work of like value. There is huge discrimination against part-time workers, particularly women.

It is also clear from the work that has been done that there are huge regional variations in discrimination against women and in the gender gap. The Fawcett Society has shown that the gender gap is 53 per cent. in west Somerset and 49 per cent. in Windsor and Maidenhead, but in Sevenoaks and Kent it is 1 per cent. Similarly, when we look at some employers, we find that women are paid more than men on average because of the types of jobs that are done. One can do all sorts of things with statistics, but the general picture that there is still discrimination against women cannot be argued against.

One of my concerns is our failure to make such speedy progress as comparable countries. The international comparisons show that Britain is moving down the scale and our situation is getting worse. Of the 130 countries that are part of the World Economic Forum's global gender gap index, Britain was ninth in 2006. Last year we had fallen to 13th, and now we are ranked 15th, so it is clear that other countries are addressing the problem better. We must examine what they are doing and consider how they are achieving that. I agree with my hon. Friends that representative and class actions are part of that, but so are mandatory equal pay audits. What has happened in other countries makes it clear that that form of transparency works. In Sweden, where such audits were introduced in 1991, the pay gap is now only 3 per cent., and they have also worked in other countries where similar action has been taken. It is shameful that the business lobby has succeeded in persuading the Government not to take a mandatory approach.

Ms Abbott: We are in an era of declining levels of trade union organisation of the work force, which makes mandatory pay audits even more important.

Ms Clark: I agree. We know that in spheres of employment in which there is a high level of trade union organisation, the level of discrimination is far lower, not just on equal pay but on a whole raft of matters, most importantly health and safety. There are people ensuring

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that the laws passed in this place are implemented in the workplace. Unfortunately from our perspective, the public sector is now the sphere in which the trade unions are best organised, and over a lengthy period the level of trade union organisation in the private sector has diminished.

3.15 pm

Since 1997, the Government have attempted relatively successfully to address some of the problems in the public sector. Although Labour brought in the equal pay legislation in the 1970s, in many ways it was not implemented as it should have been because of the difficulty for individual women of taking equal pay cases. That problem was taken on board, and the attempts to bring in job evaluation and examine pay scales have succeeded in addressing many difficulties. However, one problem that has been mentioned is that insufficient funds have been provided to address historical discrimination, and bin men are being asked to take a salary cut so that a catering assistant or cleaner can get their salary increase. That is not the way to deal with discrimination. The only way to address the problem would have been to bring everybody up to the same level over a long period rather than level down, which would have required greater funding.

Jeremy Corbyn: I am pleased that my hon. Friend has mentioned refuse collectors, probably in the light of the strike in Leeds. Apparently, some people there have been expected to take a pay cut. Does she agree that it will require greater expenditure by local authorities to maintain male earnings and bring female earnings up to the same level, and that that should be recognised in the standard spending assessment for local government next year?

Ms Clark: There is indeed a problem in Leeds, and also in my constituency, where refuse workers are being asked to take pay cuts. I suspect that it is a live issue in many parts of the country. The problem was not created in 1997—it goes back decades, and our failure to address it over a lengthy period makes it more difficult and expensive to do so now. I agree with my hon. Friend that it has to be taken on board when considering local government finance.

John Mason: I agree with the hon. Lady that we should be pulling people's pay up rather than down, but that creates the knock-on effect that it is harder for a council providing a service to compete with the private sector, which may underpay workers, often women, for the same thing. We need to address that, too.

Ms Clark: Yes, that is a massive problem for local government and throughout the national health service and all parts of the public sector. As I said, at least there has been an attempt to grapple with the problems since 1997, with all their complexities and difficulties. Unfortunately, that cannot be said to the same extent of the private sector, in which about 80 per cent. of employees work. Gender discrimination is an even more difficult problem in that sector, and it is even more difficult to bring equal value cases because of the lack of transparency.

When I took equal value cases in the health service, we knew what a cleaner was paid, and we also knew what the wall washer, who was a man, was being paid. He was paid more, even though he was washing the wall and the women were washing the floor. We were therefore able to put a case together. That is not the situation in the private sector, because there is no transparency and different people doing the same job are on very different terms and conditions of employment. That makes it even more difficult to achieve any kind of equality, because people do not know what is going on round about them. They get information accidentally and anecdotally, and it may or may not be correct. They could therefore be well into an equal value case before they knew what the ball game is and what they were being paid in comparison with others.

I welcome clause 75, which opens the way for a more mandatory approach in that it gives Ministers a power to make regulations to require employers with 250 or more employees to publish information. However, a voluntary approach has not worked over the past 40 years, so I find it difficult to believe that there is going to be significant movement in the next four years, in which time the Government say they hope there will be an improvement in the situation. They have said that they do not intend to use the power until 2013, and I hope they will revisit that mandatory aspect.

The figure of 250 employees will simply exclude considerable numbers of people who could benefit from the Bill, so I welcome new clause 3, which was tabled a considerable time ago by the Liberal Democrats. It would be a significant improvement, but my concern is that it would still exclude many people who could be helped by this legislation. As I understand it, the measure was drafted in line with the equal pay task force recommendations, which were published in 2001. That authoritative report, which was commissioned by the Equal Opportunities Commission, has already been quoted in our debate.

The reality, however, is that even if new clause 33, which would introduce a threshold of 21 employees, were successful, 32 per cent. of women would be excluded, because they are employed in organisations with 20 or fewer employees. Only 68 per cent. of women and a slightly higher number of men would be in organisations that had to make such information available.

The figure of 21 employees was chosen simply because it fits in with the Government's approach to other legislation, such as trade union recognition, and not for any other reason. There is a very strong argument that there should be no threshold at all, because this form of transparency is easier the smaller the organisation. However, we took the view that some people would feel able to support a threshold in the region of 21, but would not support no threshold whatever.

I believe that mandatory pay auditing legislation would help significant numbers of men and women in this country—of course, not only women take equal pay cases, but men too, and they do so successfully. However, the vast majority of people who are discriminated against in their pay on the ground of gender tend to be women, so women will be the major benefactors of successful legislation.

This is an important issue for our party in government, and I very much hope that the Government will feel able to look at it again. They will be very well aware that many Labour MPs are very sympathetic and supportive of proposed new clause 33, as I suspect are many Ministers who have been involved in the Bill.

Lynne Featherstone: Does the hon. Lady agree that if we do not get such a measure in this Bill and should there be a change of Government, we may never get one?

Ms Clark: I do not believe that there is going to be a change of Government, so if we do not get such a measure in the Bill, I will be back here fighting next time round. It is a general rule that we need such measures now. The longer we delay, the less we can be sure what is going to happen in future. If this Government felt able to go down the line of mandatory equal pay audits, it would be a huge advance and a significant achievement. If we do not go down that line, I suspect that we will be back here in four years' time to have this debate again, after the voluntary approach has yet again proved unsuccessful. I hope that we will today achieve a significant step forward, particularly for women, and that we will get one of the proposals for mandatory equal pay audits passed.

The Solicitor-General: I congratulate all the contributors, not excepting the hon. Member for Shipley (Philip Davies), on the vigour with which they expressed their views. I will respond not in the order in which people have spoken, which would not be possible, but in the order of the proposals, as best I can.

New clauses 3, 26 and 33 are on one of the topics that my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) spoke about. They are the successors to the proposals on mandatory pay audits that were extensively debated in Committee. It is true that there was a very full debate indeed in Committee, setting out where the divisions lay. However, I must say that in my view, there is a danger of a sort of inadvertent sloganising. What is the significant difference between a mandatory pay audit and what it would disclose, and requiring, as we will immediately of the public sector and ultimately of the private sector if it does not comply, the disclosure of information from which the pay gap in a firm can be seen, so that pressure can be applied to narrow it?

If mandatory pay audits, which are pursued by two of the proposals, are going to be the same as those that have failed to work in a number of areas, we are unsurprisingly not going to support them. The kind of consultant-based mandatory pay audit that has been prevalent is often sexist in its conclusions and has had to be fought. Local authorities that have tried rigorously, with the best will in the world, since 1997 and the single status agreement, to have what amount to mandatory pay audits, have in very large measure, as everybody agrees, landed themselves in employment tribunals because the management of the audits has not been transparent and has therefore produced sex discrimination of its own kind. The audits are quite difficult to get right and can be an enormous burden. For instance, in Sweden, which has had mandatory pay audits for some time, there is simply no evidence that they have worked effectively at all. We are looking to get away from the term "mandatory pay audits" if what it means is what I have just described, and to arrive at a practical solution that will advance the equality of women's pay, which has been unfairly different from that of men for far, far, far too long.

My hon. Friend the Member for North Ayrshire and Arran talked about transparency, and that is the name of the game. She complained that in the private sector she was not able to learn about pay differentials, but there will be no place for the private sector to hide on pay differentials in the future. Secrecy clauses will be banned under this Bill, and we will require that immediately—it is not a case of waiting until 2013 to ask the private sector to publish its pay figures. I will come later to the most up-to-date information that I have about the work that is being done, which is being thoroughly supported by the CBI and other employers, with the EHRC and the TUC, to try to work out the optimum measurements that will disclose pay structures effectively without imposing an unfair and unnecessary burden. However, the whole negotiation has been on the basis that pay transparency is agreed to be the most important factor. The issue is what measurements will be needed to disclose those structures. The issue of burden is much further back. However, we are seeking the optimal solution so that clarity may be obtained and action taken on the basis of what is disclosed.

3.30 pm

I asked a rhetorical question about the difference between a mandatory pay audit and disclosing enough information so that people can discover what is going wrong with pay scales and put that right. That goes beyond direct discrimination. The hon. Member for Weston-super-Mare (John Penrose) does not understand that figures will disclose not just deliberate discrimination, but inadvertent discrimination, historic ghettoisation and many other factors.

I suppose that the answer to the rhetorical question is the mandatory element. The issue is whether we continue as we have been doing, as the realisation is emerging that equality, diversity and good business go together and are not the enemies of each other. Should we encourage that to flourish—and observe participation in that—or should we say, "Hey, businesses, you're all under arrest and you must all do mandatory pay audits", even though such audits have not made a significant difference in those countries where they have been tried? The Government's position should not be construed as demonstrating the slightest lack of political will, determination or certainty that we will advance the cause of equal pay, and quickly. I am confident that it will go up 10 gears when the legislation comes into force.

Ms Katy Clark: My key point was my concern about the lack of enforcement and the fact that a voluntary scheme is being proposed, rather than a compulsory scheme. The Minister's points are about the detail of the information that should be provided. Experience has shown that unless such schemes are made compulsory, people do not co-operate. We do not have time to wait another four years. In the public sector, that would mean another four years of equal pay cases—as it would in the private sector. Surely we have waited long enough, and the scheme should be compulsory.

The Solicitor-General: There will be compulsion in the public sector, and that will start the day this legislation comes into force. In the private sector, we have seen a new understanding emerge that prosperity in business goes hand in hand with equality and diversity—and we are keen to encourage that. It is not just a question of waiting for something to happen. That is why, even before the Bill becomes law, the commission is working

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to produce, within a matter of weeks, the measurements that it will ask the private sector to implement. Those measurements have been arrived at—or almost arrived at, as they are not quite ready—with the full buy-in of the major employers' organisations. I have met the representative of the CBI—she and I almost have a mobile road show going, together with someone from the TUC—many times on this issue, and she asserts voluntarily, without being pressed into doing so by me, that she intends to drive through compliance with these measures by her employers. If we can harness that power from both sides, it will be much better than engendering conflict by introducing a mandatory scheme that has not worked elsewhere.

John Penrose: I have seen announcements from the EHRC saying that it would not be able to publish some of the details of the proposed measurements until 2012 or 2013, but the Minister has just said that they will be published in the next few weeks. If that is true, it is tremendously welcome and very good news. Can she confirm that those earlier press announcements were misinformed and that the details are due soon?

The Solicitor-General: Yes, I think that there was some muddle there. I will say a bit more later, but I can confirm now that they are due much sooner than that.

I want to make it clear that we consider our approach to be the right way forward. As I have done in the past, I commend and cheer on my hon. Friend the Member for North Ayrshire and Arran. She has a fantastic record in her private history of chasing the issue of equal pay, and she has had incredible success. She is obviously highly skilled as well as incredibly committed, and I make no mistake in saying that she speaks with feeling and a high level of knowledge. However, in the past, she has had difficulties—I am well aware of the laboriousness of such legislation and litigation. Over the years she has been contending with this matter, there has been neither the obligation for transparency in the public sector nor the pressure that there will be for transparency in the private sector. To progress very quickly, we need the buy-in of both sides of industry if possible.

I could rehearse more of the arguments made in Committee, but they have been adequately heard and what I have said summarises them reasonably well. I am anxious to satisfy all parties on our absolute determination that the Bill will, among many, many other things, accelerate the move towards equal pay for women.

New clause 26, tabled by the Conservative party, would require a more specific position, which is that employment tribunals should order mandatory equal pay audits whenever an equal pay case is lost by an employer. That was presented in a three-clause Bill in the Lords—it was one of the clauses—but was taken apart by Lord Lester, who is not a member of the Labour party but who did a skilful demolition job none the less. The new clause is tokenism and would make little difference to tackling the gender pay gap, not least because its effectiveness depends on a case being won in an employment tribunal.

Let us look at the employment tribunals. In 2008-09, there were more than 100,000 public sector cases, almost all of which—I cannot say all—involved bodies that had already undertaken equal pay audits under the single status requirement, which has been battling on since 1997. Often the results of equal pay audits are the very reason cases are brought. It would not be sensible for it to be compulsory for a tribunal, in trying to unpick the aftermath of a pay audit, and to ensure that it works and drives the move towards equal pay, to have to order another one. That is the long and short of how nonsensical the proposal is.

Few private or voluntary sector organisations reach an employment tribunal. In 2008-09, when there were 100,000 public sector cases, there were 1,574 non-public sector cases. There is much to be said about such a small number and the need for things such as representative actions, and I shall come to that in a minute because it makes my point while requiring me to make another one about representative actions. However, the new clause is completely undesirable because it would remove any discretion for employment tribunals, which would have to order equal pay audits—that is not what judges are for—in circumstances where they consider them wrong, unnecessary or inappropriate.

Conceivably, there could be instances of individual cases that do not reflect systemic equal pay problems. One wrong move by a business and a tribunal might have no other option than to order a mandatory equal pay audit across that business, however big it might be. If an employer is found to have breached equal pay law, it should, as a matter of common sense and good management, want to assess what changes it needs to make to avoid further claims, and it will. We oppose the new clause, therefore, and think that it is just a token gesture.

Let me turn to new clause 4, which is about representative actions and which was also supported, strongly, wholeheartedly and with great power, by the hon. Member for Hornsey and Wood Green (Lynne Featherstone) and my hon. Friend the Member for North Ayrshire and Arran. As I have said throughout, our mind is not closed to the future of representative actions at all. Taking full-time and part-time pay together—that is how we must take them, otherwise we will be putting part-time workers into a less virtuous category—there is a 22 per cent. pay gap, and that simply will not do.

We understand totally that unequal pay is often systemic. As I have said, there can be isolated cases, but it is often systemic. Sometimes unequal pay is deliberate, but often it is just there and it needs rooting out by transparency. However, that needs to be driven not by some poor isolated individual who has been required to put their whole future and the money at stake and who is sometimes required to summon up the courage to go forward. Rather, we need support for people and better access to justice. We are in no doubt that we must look to do just that.

However, representative actions in the area of law covered by the Bill have some particular difficulties. We recently carried out research into how representative actions would work for equal pay cases and into the complexities, which are as follows—my hon. Friend is not in her place now, but she will follow them when she reads this. Before I itemise the problems, let me say that there are polarised views on the effectiveness of representative actions. Indeed, not even all the trade unions that are active in equal pay matters—the trade unions from which representatives would be drawn—are at one about how effective the introduction of such measures would be.

There is a strong school of thought that says that what my hon. Friend talked about—the ability under the current rules to draw out a class action and use it as a testing ground and model—can be beefed up by changes to the rules. Indeed, that approach is already in use and effective. There might be other ways forward; my point is simply that there is no unanimity even among the people who would be the representatives and from whom one would expect the drive to come.

However, the problems include the extent to which costs should be borne by the losing parties in tribunal cases, which they do not currently; how such cases should be funded; whether claimants in such cases should have to opt in to a representative action or whether they should be assumed to be a part of it unless they opt out; how to resolve a dispute between an individual claimant and the representative party; how damages should be awarded; and how they should be distributed to a successful class of claimants.

There are a lot more issues to work through with regard to employment tribunals than with regard to the civil courts. Representative actions are permitted in a limited way in the civil courts, so when representative actions are introduced for consumer and financial services cases, for example, we are building on a legal framework. However, there is absolutely no similar mechanism for employment tribunals, so introducing it for such cases would be a departure.

A further point to make about the complexity is that discrimination cases are often linked to other kinds of cases, such as unfair dismissal cases. We need to consider whether it is sensible just to introduce representative actions for discrimination cases or whether that overlap will cause greater confusion and delay. The Ministry of Justice is doing further work with the Civil Procedure Rule Committee and is trying to develop a toolkit, so that Departments can look at the issues and decide, Department by Department, whether it would be good for access to justice in their areas.

We recognise that pay discrimination is systemic. We recognise too that there are situations where a number of individuals will want to bring broadly similar claims against a single party. We know that introducing representative actions could bring benefits for individuals, and potentially also for defendants faced with multiple claims. We will look at the issue, and we may well consult in due course. In the meantime, on the understanding that we are researching the issue as far as we can, I invite hon. Members not to press new clause 4.

As for hypothetical comparators, I think that there has been a slight mix-up on the clause numbering, as clause 64 is now the relevant one, although that does not particularly matter. The clauses reflect our decision to keep the distinction between contractual and non-contractual pay matters for work-related gender discrimination, which means that someone has to identify a comparator of the opposite sex to make an equal pay claim. That has to be a real person.

3.45 pm

We are firmly of the view that accepting new clause 5 would lead to difficult consequences, some of them probably not only unintended but unforeseen. We are obviously determined to expose and address unequal pay; I hope that that can be taken as read. The way to do that, however, is not to increase confusion about how comparisons can be made, but to increase transparency. The tribunal would be asked to conclude from the fact that there is a difference in pay between two people doing work that is not of the same value, that that somehow indicates that two such people doing the same work would be paid differently. In the absence of evidence of direct discrimination, for which we have made new provision in clause 68, we do not see how that conclusion can be reached. Clause 68 does, however, allow claims where there is evidence of direct discrimination in relation to contractual pay, so that is a little gap that we have filled, moving in the direction of the amending provisions.

There are contrary views on this issue: most of the respondents to our Green Paper supported our position that we should keep the current approach, although the Fawcett Society and the Women's National Commission did not agree. The consequences of allowing a hypothetical comparator could include, for instance, enabling a man in a lower-paid job to seek to equalise his pay with that of another man in a higher-paid job that he asserts is of equal value. A male care assistant could cite a hypothetical female refuse collector as a comparator of work of equal value in order to bring his wages up to the same level as refuse collectors who are male. That is not what the equal pay provisions are for, as they are intended to tackle discrimination between men and women rather than be a mechanism for fair pay—there are different mechanisms for that. Permitting reliance on a hypothetical comparator would encourage that sort of claim and might well bog down tribunals even more; it would take the legislation way out of the territory that it is intended to cover.

David Howarth: The theoretical possibility that the hon. and learned Lady just mentioned exists for all other terms and conditions of employment, but not for those connected with pay. Why, then, does she adopt this position, which seems to me inconsistent with what everyone agrees works well in the rest of discrimination law?

The Solicitor-General: We have said many times why we think that the unintended consequences are much more far-reaching in the pay sector than they are elsewhere. That is why we have always drawn back from allowing hypothetical comparators. They are not essentially a tool of the mission on which we are embarked; they would send it into very diverse courses, which is not our target.

Let me mention a fairly recent case. People worry especially about women involved in contracting out—where, for example, a local authority's cleaning is contracted out—because they are left without a remedy in that they no longer have a male comparator. They are the cleaners, they are ghettoised and they are women, so they no longer have a male comparator doing equal work. The thrust of the argument for hypothetical comparators seems to be that they would address that problem.

The hon. Member for Cambridge (David Howarth), who is a smart lawyer, will know that the Court of Appeal in the case of Guttridge *v.* Sodexo has shown that a right to equal pay under an equality clause is protected following a TUPE transfer, and that employees will be able to enforce that claim against their new employer. Since that was the height of the argument in favour, and given that we do not agree with it because of

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the possible unintended consequences, I hope that people are none the less reassured that some of the teeth have been drawn.

Jeremy Corbyn: The Minister makes a point about employees transferred with TUPE protection, but the problem often arises that groups of workers that have been transferred with that protection are joined by new recruits who do not have the same protection, leading to the inbuilt problem of a disparity between conditions, and sometimes the introduction of discrimination after the TUPE protection has expired.

The Solicitor-General: The usefulness of the case—although it does not extend to the circumstances envisaged by my hon. Friend—lies in the fact that as long as an action is brought within the six-months following the separation of a local authority, for instance, from its employees, equal pay can be guaranteed for all who have been transferred. As for the future and other aspects of fair pay, they are really outside the ambit of the Bill. We ought to seek other mechanisms to ensure that pay is fair. In this instance, we are discussing equality of pay between men and women, and other members with protected characteristics.

I must say, with huge respect to my hon. Friend, that although we all mean well and want to ensure that people receive fair pay, he has, in a sense, helped my argument that it is possible to take hypothetical comparators too far and end up a long way away from the issue with which we are dealing. I do not suggest for a moment that there are not other ways in which we must tackle low pay—there certainly are, and we have used them repeatedly—but hypothetical comparators are not the crux.

New clause 6 and amendments 1 and 68 concern the material factor defence. It was at this point that the numbering of the clauses was a bit adrift. The new clause and amendment 1 replace clause 66, which provides a defence of "a material factor" to a claim under an equality clause, with an alternative wording intended to achieve an effect similar to that of clause 66. We debated this subject in Committee. We cannot accept the amendment today, but we are considering the issue that was raised by the hon. Member for Oxford, West and Abingdon (Dr. Harris) in Committee, and we think that there will be an opportunity to bring about some movement on it in another place.

Clause 66 is intended to replicate the effect of the current law, which says that a material factor that is directly discriminatory simply fails, and one that is indirectly discriminatory must be justified objectively in order to succeed. That is the policy intention behind the amendment, and it is ours as well.

Dr. Evan Harris (Oxford, West and Abingdon) (LD) *rose—*

The Solicitor-General: I was about to point out that there is a clash of words. I am sure that the hon. Gentleman is about to mention it.

Dr. Harris: Concessions by the Government have become so rare that they ought to be noted in interventions. I am grateful to the Solicitor-General for saying that she will reflect on the material factor defence. It would be good to hear that at any stage in the Bill's passage. I recognise that it will have to be dealt with in another place rather than on Report, but it would be churlish to let it go unremarked on, and we are grateful.

The Solicitor-General: I am grateful for the hon. Gentleman's gratitude. The question of phraseology remains, and I do not think that we are going to accept his phraseology, but if he agrees not to press his amendment, we will reflect and see whether we can reach some understanding.

Amendment 68 relates to the long-term objective of reducing inequality between the terms of men and women, which should always be regarded as a legitimate aim. Removing pay inequality between men and women is the main goal of some parts of the Bill. However, we do not underestimate the challenges faced by employers dealing with the legacy of pay inequality. Reviews of pay structures such as those that take place now, and will take place more fully following the enactment of the Bill, and restructuring of businesses and new ways of doing work can result in pay discrepancies.

Clause 66 is intended to encourage employers, employees and their unions to identify and resolve pay inequality by negotiation, which is much better than litigation. Its purpose is to put the legitimacy of that goal beyond doubt. It does not provide an easy get-out for employers, and it will not reduce protection for women. An employer who relies on this factor must always show that the means used are proportionate. However, it is important to make it clear that the best way to achieve the long-term objective of removing inequality is negotiation in circumstances that might otherwise involve real difficulties in relation to pay discrimination.

I shall now turn to new clauses 11, 21 and 22. The hon. Member for Hornsey and Wood Green and I both said we would revisit the issue in question on Report, and we have done so. It is about the CV survey, which I think I first disclosed in Committee, on how recruitment is conducted. The report following this survey was published in October and it confirms that there is undoubtedly race discrimination in the recruitment process. The report showed that whereas a white applicant had to send an average of nine applications before getting a favourable response—an invitation to have an interview or a telephone call to encourage them—an ethnic minority applicant had to send 16 applications. What to do about the report's findings should be decided by the body that started the ball rolling in the first place: the Ethnic Minority Employment Task Force. It should have met to talk about that last month, in which case I would have told Members what it had discussed. It was unable to meet owing to unforeseen circumstances, but it will meet in the new year.

The report suggests that such discrimination is most prevalent in small and medium-sized businesses, and it offers two possible reasons for that: first, that such businesses may not use standardised application forms; and secondly, because SMEs tend not to have separate human resources departments with distinct staff whose job it is to ensure that application forms are anonymous. In a business where only two or three people work, for example, it is not at all likely that that would be practical. Although the hon. Lady's amendment is a genuine attempt to deal with this issue, it does not contemplate the possibility that in certain circumstances it may be necessary, and indeed beneficial, to take protected

characteristics into account—for instance, for positive action. We will therefore all have to consider what the appropriate policy response is.

The hon. Lady talked about work being done to combat subliminal discrimination—which caused a good deal of amusement to the hon. Member for Shipley, as I am sure she can imagine. We know about that, too. The current edition of the Incomes Data Services *Diversity at Work* publication says that Ernst and Young has found a learning tool that demonstrates its decision makers' unconscious bias, and how that works. The training that it has piloted has led to a reduction in the gender and ethnicity disparity in the firm's performance rating. Thus good practice of that kind can play a role. Although we have looked for, and found, race discrimination in a new place, that does not necessarily mean that we need a new law to match it. We have not looked for it in order to do nothing about it when we have found it, however, and I invite the hon. Lady to withdraw her amendment on the basis that the taskforce is the best mechanism to drive forward whatever we need to do to get rid of that completely unacceptable discrimination.

Like our new clause 40, new clauses 21 and 22 would prohibit the use of pre-employment questionnaires in specific circumstances, but we have discussed the essence of this, and the Opposition new clauses do not go as far as our new clause, and do not give the protection that disabled people need, because they make no provision to bring employers to account. There would have to be a tribunal hearing, but just declaring something unlawful does not take the matter very far. Our proposal backs that up by reversing the burden of proof at the tribunal. We therefore think that our new clause is better and stronger; we do not think there is much between our proposals, but if the Opposition were to see fit not to press their proposals to a Division, we would be very content.

Amendment 70, tabled by the hon. Member for Shipley, is intended to test the reasoning behind the pay secrecy clauses. Clause 74 is intended to ensure protection against victimisation for employees who discuss their pay with colleagues when they are not generally contemplating a claim as such, but want to find out if differences exist that are related to a protected characteristic necessary to help get better gender pay transparency, and also to protect people when they try to find out whether they are being discriminated against in pay terms.

Rival amendments have been tabled, because the hon. Member for Shipley wants this clause in the bin whereas the hon. Member for Hornsey and Wood Green wants to make it wider. Her proposal gives us a few causes for concern, because she would like to ensure secrecy in discussions with third parties as well as with fellow employees, and that could include a direct competitor. There could be very sound reasons, quite unrelated to discrimination, why employers would not want their levels of pay to be disclosed to a competitor, who might undercut them, undercut their margins or offer the employee more. Protecting a person who takes such an approach would go well away from the aims of the legislation, which are about allowing everyone to know what they are being paid. We do not think it is necessary, as she does, to include a provision to protect someone who seeks advice from a third party. If that third party is a trade union, section 146 of the Trade Union and Labour Relations (Consolidation) Act 1992 protects that kind of conversation, and if it is a lawyer, the conversation will be protected by privilege. We think that the hon. Lady's proposal goes too far, and we ask her not to press it to a Division.

4 pm

My hon. Friend the Member for Hayes and Harlington (John McDonnell) proposed putting equality reps on a statutory basis. We are very sympathetic to that, because they need facility time, which learning reps and health and safety reps have. As he acknowledged, we have supported trade union equality reps. Unions such as Unison, Unite, the Public and Commercial Services Union and the National Union of Teachers have piloted 15 schemes to demonstrate the value to employers of the work of equality reps in workplaces where there are trade unions. As my hon. Friend said, we acted on the recommendations of the Women and Work Commission. We spent £1.5 million from the union modernisation fund and Government Equalities Office cash to build capacity and to support the evaluation of the effectiveness of the reps. That is where we are now. The funding comes to an end this year, but we hope that by then we will have received an evaluation. That is what we are waiting for from the TUC.

John McDonnell: Will the evaluation be received in time for the consideration of this Bill in the Lords, so that the Government will be able to amend it accordingly?

The Solicitor-General: I do not know. We have been asking for the evaluation for some time. I was anxious to receive it before this stage if that was practicable, but we have not received it: that is the situation. In readiness to receive this evaluation, we have conducted a round of discussions with employers and others, and the opinions we heard were a bit divided. Therefore, we also want to use the evaluation to persuade employers about the benefits, but the long and short of it is that that is what we are waiting for.

I shall move on to the different issue that my hon. Friends the Members for Hayes and Harlington and for Dover (Gwyn Prosser) have brought before us. Their amendment 34 seeks to remove the power for Ministers to introduce affirmative regulations specifying how part 5 of the Bill, which deals with the "work" provisions, would apply to seafarers and those who work on hovercraft. Without any such regulations, the application of part 5 would be a matter for tribunals and the courts to decide on a case-by-case basis. I cannot imagine that anybody would want that, because it would cause confusion and uncertainty.

The context in which seafarers undertake their work is different from that of other workers. Many issues relating to ships and their crew are governed by the law of the state where the ship is registered, but others may be governed by the law of the state in whose waters the ship is located. A ship can be constantly moving between waters under the jurisdiction of different states, and might not be operating in the waters of its own flag state. Given that context, we definitely do not want the facts about to whom this part applies and to whom it does not apply to be determined on a case-by-case basis. That is why we need regulations, and why, in due course, we will urge my hon. Friends not to press their amendment, which would stop those regulations being made.

[The Solicitor-General]

The UK is entitled to apply its law to vessels registered in the UK, but international law and custom limit the extent to which the provisions can be applied to non-UK registered vessels even while they are in UK waters. The Equality Bill is completely silent on how part 5 applies generally and regulations must be made to apply it to ships and seafarers in all those locations and circumstances to ensure that seafarers are protected from discrimination at work as and where appropriate. Without the regulations, it would be completely unclear. Everybody wants to see seafarers protected from discrimination, but we must tailor the way in which this is achieved.

Let me move on to the concern that drives my two hon. Friends to try to remove the regulation-making powers when they clearly appreciate as well as we do that it is important to have certainty in application. I think that the regulation-making power is wide enough to address the issue of differential pay among seafarers.

It is common practice in the shipping industry for seafarers' pay to reflect the country where they are based and therefore where they are likely to spend their wages. Historically, that has been lawful by reference to nationality in the UK through section 9 of the Race Relations Act 1976, which is repealed by the Equality Bill. I understand that my colleagues who are seeking this amendment would like to see differential pay outlawed totally in the UK and are concerned that, by allowing the regulation-making power in the Bill, the Government will replace section 9 or put in pay differentiation in some way.

It is right to say that the Government must carefully consider the implications of disallowing the practice, including the economic impact, and weigh up the possibility of putting UK employers at a significant commercial disadvantage. That said, the Government are acutely aware of the opposite case and of the strength of feeling against reintroducing even a more narrowly drawn replacement for section 9, or anything like it. So, the Under-Secretary of State for Transport, my hon. Friend the Member for Gillingham (Paul Clark), published draft regulations earlier this week. They offer an insight into how the Government think the provisions in part 5 will apply to seafarers and remain silent—we will return to this—on the issue of differential pay.

The final regulations will determine the extent to which part 5 applies to seafarers. As published, the work protection would be given to a seafarer working wholly or partly in Great Britain on a UK-registered ship or a seafarer working wholly or partly in Great Britain on a ship flagged to an EEA state other than the UK while it is in UK waters if the seafarer is British, an EEA national or a citizen of a state with corresponding EU law rights, provided that the seafarer has a legal relationship located in Great Britain or has a sufficiently close link with Great Britain. My hon. Friend the Member for Hayes and Harlington asked for some explanation of what a sufficiently close link would be, and I shall try to help with that in a minute.

The third category to which part 5 would apply under the current regulations is to a seafarer working wholly outside Great Britain on a UK-registered ship if the seafarer is a British citizen or a national of an EEA state or a state with corresponding EU rights, provided that their employment relationship is in Great Britain or, again, has a sufficiently close link. The non-UK and non-EEA states are those that have an associative agreement with the EU. They include, for instance, Nigeria and Guyana, from which, I understand, some seafarers are drawn.

What counts as a sufficiently close link to bring those second kinds of seafarer under the protection of the Bill depends on an overall balance of a range of factors. However, factors that may be relevant are: whether a person is employed on board a ship where the ship is registered—its flag state; the law under which the employer company is incorporated; where the employer's business is established; where an employee is recruited or hired, or where the contract for employment is concluded; under which territory's law the employment relationship is entered into; which territory's law applies to the whole employment relationship; the jurisdiction under which disputes about employment relationships should be brought; the legal systems to which the two individuals are subject; to which territory's social security system the employee is affiliated; the territory where the employee pays income tax; the nationality and ordinary residence of the employee; and whether the employment involves the performance of sovereign functions, which I do not suppose happens very much.

My hon. Friends the Member for Hayes and Harlington and for Dover, with whom I had the pleasure of meeting last night with my hon. Friend the Parliamentary Under-Secretary of State for Transport, gave me a set of examples about people working on ships between Aberdeen and Lerwick, and asked whether they would be covered by the regulations as currently drafted and hence protected against that unequal pay. The answer is that one would have to consider all those characteristics.

John McDonnell: From a brief examination of my hon. and learned Friend's words, I suggest that the Filipinos working on those ships would not be covered because they are non-EEA and non-EC employees.

The Solicitor-General: So far as I have got, that looks to be correct. My hon. Friend asked for guidance and I have done my limited best to give it. So, that is where we are with differential pay. For the avoidance of doubt, in the draft regulations published by the Under-Secretary there is no reference to pay differentiation, which means that if they were approved by Parliament as they are now, the practice would not be lawful at all. As I understand it, that is a very clear position. My hon. Friend the Member for Hayes and Harlington is aware that in the ordinary course of consulting on these regulations, letters have gone out to ask all stakeholders what they think would be the implications of removing that kind of differential pay. I fear that we must await the outcome of that consultation before going forward. I hope that I have given him some comfort, if no more.

John McDonnell: Before my hon. and learned Friend moves on, may I ask something else about differential pay? It would be helpful to get it on the record that the existing regulations do not apply to pay, although others might interpret the measures differently. However, they do apply to this part of the Bill more generally, in terms of equalities. As the consultation is taking place promptly, and as we believe that it will take place over a restricted period of time, may I ask her about the potential to address the issue of differential pay after that consultation and to put it in the Bill when it goes to the Lords?

The Solicitor-General: I heard my hon. Friend suggest that, and we have discussed it briefly here, but I do not think that the right way forward is to put what are essentially regulations in the Bill. Indeed, I am not sure whether we can do that. It might be possible and it might help to finalise the consultation process as early as possible and to publish the proposed regulations, so that everyone can see what is coming and can start to adjust to what will happen. In terms of a timetable, the final regulations will be introduced after Royal Assent, because they will need to be in place to come into force at the same time as part 5. Royal Assent will probably be in April and the commencement of part 5 will probably be in October, so there would be a significant amount of time to wait. My hon. Friend has made his points on this issue, but the publication of the proposed regulations might go at least some way towards flagging up what is coming and towards obliging people to start to comply.

John McDonnell: I should like to express my gratitude that the Minister has at least taken on board the spirit of what we are intending. A prompt publication of the regulations would help, but there is no impediment whatsoever to making them part of the Bill. Will she look at that again, and take advice?

4.15 pm

The Solicitor-General: The obvious objection is that putting the regulations in primary legislation means that they cannot be changed without more primary legislation. That is a very laborious process, and the whole point of double-decker legislation is that things can be changed as and when necessary. The judgment is that these matters ought to be set out in regulation. I shall not take the point any further, but my hon. Friend can press it with the Department for Transport. Officials there have accepted the proposal that they should meet to discuss the different legal opinions, and we expect a Minister in the Foreign and Commonwealth Office to consider the matter later on. My hon. Friend the Under-Secretary of State for Transport and I will also be able to help so, on that basis, I hope that the amendments will not be pressed.

The hon. Member for Shipley would like to strip away all protection for businesses with fewer than 250 employees. *[Interruption.]* I am being pressed about the time, but I have a lot of questions to answer. I shall just say to the hon. Gentleman that we are not going to accept his proposal. Most employers are covered already by discrimination law: we intend them to remain that way, and I hope he will not press his new clause 36.

I also hope that the hon. Gentleman will not press his new clause 38, which proposes restricting the use of positive action by public authorities. He said that his purpose was to put an end to new burdens but he is barking up the wrong tree, as positive action has been available for a very long time. It is 30 years since the sex and race discrimination Acts were passed: both of them have been very well used, as have the later Acts banning discrimination on grounds of religion or belief, sexual orientation or age. Many public bodies, including the police and fire services and the NHS, use them, and they would not be able to meet their legal obligations to promote equality in race, gender and disability so easily if they could not use positive action. They would not be able to fulfil their responsibilities in respect of all the protected characteristics if they were not able to use positive action.

It would be very strange to prevent public sector bodies from using positive action when those in the private sector would still be able to use it. Where would that leave a private company delivering a service on behalf of a public authority? I therefore ask the hon. Gentleman not to press his new clause 38, on the basis that he has made his point.

Philip Davies: May I make it clear that I did not table my amendments with the intention of pressing any to a Division? I tabled them as probing amendments, so that we could discuss some of the issues that I believe are of great concern to many people in this country.

The Solicitor-General: Then I hope that the hon. Gentleman is satisfied with the discussion that he has managed to provoke. If that is his approach to all the new clauses and amendments that he has tabled, I can probably make somewhat quicker progress.

I take it that the hon. Gentleman was just having a laugh as well with his proposal about levelling down pay. Similarly, I assume that his new clause on maternity was tabled just to see how we all reacted and how many times we said, "Ah, no, that really can't be right."

I said that I would return to the question of reporting of gender pay gaps and give an update on the progress made by the Equality and Human Rights Commission. It is happy for me to share with the House that its proposals will include a range of measures on the gender pay gap. The measures will enable comparability, although employers will be encouraged to select from them in the way that best suits their circumstances. There will not be a one-measurement-fits-all approach, and I can confirm that the commission will produce its proposals as quickly as it can.

Amendments 76 and 78 were also tabled by the hon. Member for Shipley. He used amendment 77 to probe clause 125, which deals with the purpose of time limits on equality clauses—quite a techie issue—and I wonder whether I can commend the debates that we had in Committee on those subjects. We cannot accept the points made about members of the armed forces not being able to initiate tribunal cases. We have given a longer period for the armed forces, because they must go through their own process first, and we think that is the right balance.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): On a point of order, Mr. Deputy Speaker. In a situation in which we have limited time to debate a large number of amendments, is it really within the spirit of our proceedings that the Minister should take almost an hour and still not finish?

Mr. Deputy Speaker (Sir Michael Lord): That is not a matter for the occupant of the Chair. As the right hon. Lady will know, how long Ministers take is entirely a matter for them, but I would observe to the House that the whole of the Bill's consideration on Report must be completed by 6 o'clock.

The Solicitor-General: I have to answer on the whole of a vast range of proposals, and I have done so with what dispatch I can. I am sorry if I have not pleased the right hon. Member for Maidstone and The Weald (Miss Widdecombe). *[Interruption.]* No one asked for another day.

[The Solicitor-General]

Amendment 18 deals with the difference between the terms "as qualified as" and "equally qualified to". We are concerned that that is about positive action. The phrase "equally qualified to" may have unintended consequences. Let me say, in the interests of dispatch, that we will maintain the positions that we kept in Committee, but we hope that that distinction probably without a difference is not something that the Opposition will want to press to a vote.

Amendments 125, on equal pay exceptions, and 126 were also tabled by the hon. Member for Shipley. He has done us all a great service by raising those issues and then withdrawing them very quickly.

Amendment 24—last, sadly—deals with the ability of employers to use different national minimum wage rates for younger people. The Government want people to be paid a decent wage, but we rely on the independent Low Pay Commission, which makes clear the higher vulnerability of young people in the labour market to the economic cycle. They have high unemployment rates, and their employment rates are lower. In 2009, the commission's report stated:

"Young people have continued to do less well in the labour market than older workers and are particularly vulnerable in an economic downturn. We therefore believe that lower National Minimum Wage rates for young people are still justified in order to protect employment and at the same time reflect the training element attached to younger workers."

I commend new clause 40 and the related new clauses.

Question put and agreed to.

New clause 40 accordingly read a Second time, and added to the Bill.

New Clause 41

Irrelevance of alleged discriminator's characteristics

'(1) For the purpose of establishing a contravention of this Act by virtue of section 13(1), it does not matter whether A has the protected characteristic.

(2) For the purpose of establishing a contravention of this Act by virtue of section 14(1), it does not matter—

(a) whether A has one of the protected characteristics in the combination;

(b) whether A has both.'.—*(Vera Baird.)*

Brought up, and read the First time.

The Solicitor-General: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: new clause 7—*Harassment (sexual orientation)—education and services and public functions*—

'(1) A person (A) harasses another (B) if A engages in unwanted conduct related to a relevant protected characteristic which has the purpose or effect mentioned in subsection (2).

(2) The purpose or effect is—

(a) violating B's dignity, and

(b) creating an intimidating, hostile, degrading, humiliating or offensive environment for B.

(3) In deciding whether conduct has that effect, each of the following must be taken into account—

(a) the perception of B;

(b) the other circumstances of the case;

(c) whether it is reasonable for the conduct to have that effect.

(4) The relevant protected characteristic is sexual orientation.

(5) This section applies to—

(a) Part 3 (services and public functions) where the service or public function is carried out by a public authority, or on behalf of a public authority, under the terms of a contract with a public authority, or is otherwise a function of a public nature, and

(b) Part 6 (education).'.

New clause 8—*Harassment (gender reassignment)—education*—

'(1) A person (A) harasses another (B) if—

(a) A engages in unwanted conduct related to a relevant protected characteristic which has the purpose or effect mentioned in subsection (2),

(b) A engages in any form of unwanted verbal, non-verbal or physical conduct of a sexual nature that has that purpose or effect, or

(c) because of B's rejection of or submission to conduct (whether or not of A), A treats B less favourably than A would treat B if B had not rejected or submitted to the conduct.

(2) The purpose or effect is—

(a) violating B's dignity, and

(b) creating an intimidating, hostile, degrading, humiliating or offensive environment for B.

(3) In deciding whether conduct has that effect, each of the following must be taken into account—

(a) the perception of B;

(b) the other circumstances of the case;

(c) whether it is reasonable for the conduct to have that effect.

(4) For the purposes of subsection (1)(c), the conduct is—

(a) conduct mentioned in subsection (1)(a), or

(b) conduct mentioned in subsection (1)(b).

(5) The relevant protected characteristic is gender reassignment.

(6) This section applies to Part 6 (education).'.

New clause 9—*Harassment (religion or belief)—education and services and public functions*—

'(1) A person (A) harasses another (B) if A engages in unwanted conduct related to a relevant protected characteristic which has the purpose or effect mentioned in subsection (2).

(2) The purpose or effect is—

(a) violating B's dignity, and

(b) creating an intimidating, hostile, degrading or humiliating environment for B.

(3) In deciding whether conduct has that effect, each of the following must be taken into account—

(a) the perception of B;

(b) the other circumstances of the case;

(c) whether it is reasonable for the conduct to have that effect.

(4) The relevant protected characteristic is religion or belief.

(5) This section applies to—

(a) Part 3 (services and public functions) where the service or public function is carried out by a public authority, or on behalf of a public authority, under the terms of a contract with a public authority, or is otherwise a function of a public nature, and

(b) Part 6 (education).'.

New clause 10—*Caste*—

'In relation to the protected characteristic of caste—

(a) a reference to a person who has a particular protected characteristic is a reference to a person of a particular caste;

(b) a reference to persons who share a protected characteristic is a reference to a person of the same caste.'.

New clause 18—*Direct discrimination arising from sexual orientation*—

'A person (A) discriminates against another (B) on grounds of sexual orientation if, because of a manifestation or behaviour connected with B's sexual orientation, A treats B less favourably than A treats or would treat others.'.

New clause 19—*Discrimination by association and perception*—

'A person (A) discriminates against another (B) if A treats B less favourably than A treats or would treat others because—

(a) A perceives B to have a protected characteristic, or

(b) B associates with a person (C) who has a protected characteristic.'.

New clause 30—*Caste (No. 2)*—

'(1) If a Minister of the Crown is satisfied that any person is suffering, or has suffered, discrimination, harassment or victimisation on the ground of caste, a Minister of the Crown may by order amend section 4 to provide for the characteristic of caste to be a protected characteristic.

(2) An order under this section may make such supplementary provision as a Minister of the Crown considers appropriate.

(3) An order under this section must be made by statutory instrument and is subject to the affirmative procedure.'.

New clause 31—*Religious care homes for the elderly*—

'(1) Subsection (2) applies to a voluntary care home for persons in need of personal care by reason of old age and infirmity that—

(a) is an organisation of the kind referred to in Schedule 23, paragraph 2(1), or

(b) acts on behalf of or under the auspices of such an organisation.

(2) Subject to subsection (3), nothing in this Act shall make it unlawful for such a care home to restrict the provision of its services or facilities to a person on the grounds of his sexual orientation.

(3) If such a care home restricts the provision of those services or facilities as mentioned in subsection (2), it must at the same time refer the person seeking them to another person who the agency believes provides similar services or facilities to persons of his sexual orientation.

(4) Subsection (2) permits a restriction only if imposed—

(a) if it is necessary to comply with the doctrine of the organisation, or

(b) so as to avoid conflicting with the strongly held religious convictions of a significant number of the religion's followers.'.

New clause 32—*Religious adoption and fostering agencies*—

'(1) Subsection (2) applies to a voluntary adoption agency or fostering agency that—

(a) is an organisation of the kind referred to in Schedule 23, paragraph 2(1), or

(b) acts on behalf of or under the auspices of such an organisation.

(2) Subject to subsection (3), nothing in this Act shall make it unlawful for such a voluntary adoption agency or fostering agency to restrict the provision of its services or facilities to a person on the grounds of his sexual orientation.

(3) If such a voluntary adoption agency or fostering agency restrict the provision of those services or facilities as mentioned in subsection (2), it must at the same time refer the person seeking them to another person who the agency believes provides similar services or facilities to persons of his sexual orientation.

(4) Subsection (2) permits a restriction only if imposed—

(a) if it is necessary to comply with the doctrine of the organisation, or

(b) so as to avoid conflicting with the strongly-held religious convictions of a significant number of the religion's followers.'.

New clause 35—*Scottish Gypsy Travellers*—

'A person has the protected characteristic of being a Scottish Gypsy Traveller if they by reason of their common heritage, culture and traditions, that may but need not include a nomadic way of life in Scotland, may reasonably regard themselves as a Scottish Gypsy Traveller as others may reasonably be expected to be aware of.'.

New clause 43—*Caste (No. 3)*—

'(1) Caste includes—

(a) jati;

(b) biradari.

(2) A person has the protected characteristic of caste if the person is a member of a caste group found within a hierarchical group-based system of social stratification, where both membership and group and individual status are hereditary, ascribed, and permanent.

(3) In relation to the protected characteristic of caste—

(a) a reference to a person who has a particular protected characteristic is a reference to a person of a particular caste group;

(b) a reference to persons who share a protected characteristic is a reference to persons of the same caste group.

(4) The fact that a caste group comprises two or more distinct caste groups does not prevent it from constituting a particular caste group.'.

Amendment 2, in clause 4, page 4, line 15, at end insert—'caste.'.

Amendment 53, page 4, line 15, at end insert—

'being a Scottish Gypsy Traveller.'.

Amendment 16, in clause 13, page 6, line 31, leave out 'because of' and insert 'on grounds of'.

Amendment 187, page 7, line 6, after 'race', insert 'or caste'.

Government amendment 144.

Amendment 55, page 7, line 11, leave out paragraph (a).

Amendment 188, in clause 14, page 7, line 23, at end insert—

'(aa) caste;'.

Government amendment 145.

Amendment 58, page 10, line 1, leave out clause 19.

Amendment 189, in clause 19, page 10, line 16, at end insert—

'caste.'.

Government amendment 149.

Amendment 190, in clause 24, page 12, line 24, at end insert—

'(1A) Caste discrimination is—

(a) discrimination within section 13 because of caste;

(b) discrimination within section 19 where the relevant protected characteristic is caste.'.

Government amendments 152 to 154.

Amendment 191, in clause 25, page 13, line 42, at end insert—

'caste.'.

Amendment 194, in clause 34, page 18, line 38, at end insert—

[Mr. Deputy Speaker]

'(1A) For the purposes of subsection (1)(c), "detriment" may include—

(a) refusal by A to exercise any power that A has with relation to the premises;

(b) insistence by A on enforcing any provision of any relevant lease or other agreement.'.

Government amendments 162 to 165.

Amendment 72, page 52, line 5, leave out clause 81.

Amendment 74, page 65, line 8, leave out clauses 104 to 108.

Amendment 192, in clause 145, page 92, line 6, at end insert—

'caste;'.

Amendment 102, in clause 188, page 115, line 36, leave out from 'aim' to end of line 38.

Amendment 196, in clause 192, page 117, line 35, at end insert—

'(A1) It is not a contravention of this Act for—

(a) a person or organisation which provides tourism or holiday services to place age limits on group holidays or holidays catering for people of particular ages;

(b) a person or organisation to design and provide financial products for specific market segments qualified by age or age groups;

(c) a person or organisation to provide insurance programmes where the calculations of the premiums for such programmes are based on reasonable evidence of the underlying difference in risk based on the purchaser's age or age group.'.

Government amendment 177.

Amendment 119, in schedule 3, page 134, line 16, at end insert—

'(3) Nothing in this paragraph is to be taken as a requirement for the same number of places to be provided for both boys and girls.'.

Government amendment 179.

Amendment 120, page 139, line 22, leave out paragraph (e).

Amendment 121, page 140, line 1, after 'effective', insert 'or appropriate'.

Amendment 122, page 140, line 7, after 'effective', insert 'or appropriate'.

Amendment 123, in schedule 5, page 147, line 30, leave out sub-paragraph (3).

Amendment 197, in schedule 9, page 161, line 27, at end insert

', and

(d) the requirement is a genuine and determining one.'.

Amendment 37, page 162, line 13, leave out sub-paragraph (8).

Amendment 130, page 167, line 4, leave out from 'leave' to end of line 43.

Amendment 132, page 178, line 28, at end insert—

'Co-educational institutions turning single sex

3A The responsible body of a co-educational school does not contravene this Act so far as relating to sex discrimination if it is a co-educational school deciding to alter its admission arrangements so that the school will be a single sex school.'.

Government amendment 186.

Amendment 14, in schedule 22, in page 210, line 42, leave out sub-sub-paragraphs (a) and (b).

Amendment 15, page 211, line 2, at end insert

'except in relation to academy schools'.

Amendment 198, in schedule 23, page 212, line 11, leave out 'an organisation' and insert 'activities'.

Amendment 199, page 212, line 12, at end insert—

'(2A) This paragraph does not apply to any activity done—

(a) on behalf of a public authority, and

(b) under the terms of a contract between the organisation and the public authority.'.

Amendment 200, page 213, line 9, after 'orientation', insert 'or religion'.

Amendment 31, in schedule 27, page 223, line 32, at end insert—

'School Standards and Framework Act 1998	Section 58(6) and (7). Section 60(4) and (5).'.

Amendment 193, in schedule 28, in page 225, line 14, at end insert —

'Caste	Section [Caste (No.3)]
Caste discrimination	Section 24 (1A)'.

The Solicitor-General: These are miscellaneous but important new clauses and amendments. Many of them were tabled by the Opposition, but I shall start with the Government ones.

New clause 41 and the associated amendment support the Bill's aim of clarifying the legislation, and we have listened to points made by hon. Members in Committee. The new clause is needed also in consequence of clause 14, which was added in Committee and protects people from dual discrimination.

The amendments are necessary to ensure that, in cases of direct or dual discrimination, the alleged discriminator cannot argue that they are not liable because they share the protected characteristic. Without the amendments a gay man, for example, might dispel an allegation that he had discriminated against another gay man because he himself is gay. That coincidence is irrelevant under the Bill.

We discussed the matter in the eighth sitting of the Committee. The key question was whether, by stating overtly the long established convention that it is immaterial in a case of direct discrimination that the alleged discriminator is of the same religion or belief as the victim, this cast doubt on the situation for other protected characteristics. Our starting point was that it should not have cast doubt because we have merely replicated the law as it applies, uniquely, to religion or belief, and we thought that parallel issues were unlikely to arise. We then considered that the scope for intra-religious discrimination required us to take the action that we have taken.

As a presentational matter, the difference with this Bill is that we now have a single clause setting out the definition of direct discrimination and the qualifications to it, for all the protected strands, but unlike some of the other caveats and elaborations in the clause for particular strands, subsection (6) could, to the unfamiliar, raise questions about where this leaves other characteristics, in cases in which the claimant and the discriminator share the protected characteristic. We do not think that real problems will arise.

We have listened to the arguments made by the hon. Member for Oxford, West and Abingdon (Dr. Harris), though, when he advanced the case for an amendment, and we have taken his argument pretty well on board. There are two more points that I could make in favour of these changes, but as he advocated them very strongly and we have accepted them, he will be pleased, I hope, and we need not elaborate why we did so.

Clause 14 is about dual discrimination, allowing somebody who has been treated less favourably because of a combination of two protected characteristics to bring a claim. That was introduced towards the end of the Committee stage. The amendments today will make it clearer how the provisions work. There are many consequential amendments that we could not pick up in Committee because the clauses affected had already been debated by the time we introduced the new clause.

On amendment 145 to clause 14, the basic principle is that although the conduct alleged in a dual discrimination claim must be prohibited in respect of each of the protected characteristics in the combination, a claimant does not have to prove that he or she was treated less favourably because of each of them in turn. However, where an exception or justification applies to the conduct which would mean that it was not unlawful direct discrimination because of one or both of the protected characteristics, a dual discrimination claim cannot succeed.

For example, discrimination in employment is prohibited in respect of both sex and race. That would mean that a black man may bring a claim of dual discrimination if he is denied a job because of the combination of his sex and race. He would not need to be able to prove that he was treated less favourably because of his sex and because of his race separately. However, if the employer could show that it is an occupational requirement for the job that it should be held by a woman, and therefore that denying the job to a man would not be unlawful, the claim would not succeed. This is not a change of policy, but it is important clarification because there are provisions in the Bill that allow genuine occupational exemptions of this kind. We have put in place amendments to capture those justifications and exceptions from any other Act as well.

In addition, clause 14 relates to cases of disability discrimination in education which are heard by the special educational needs and disability tribunals or equivalent specialist tribunals. We are excluding from the scope of clause 14 circumstances involving discrimination in education because of disability. That is because the case of someone being treated less favourably by a school, owing to the combination of disability and another protected characteristic, would be met by a single-strand claim in the specialist tribunal. It is better to defer to the expertise of those exclusive jurisdictional regimes than to undermine them by sending combined claims out of their specialist area to the civil courts. We are not stopping a remedy; we are providing the one that we think best fits.

4.30 pm

We need to make that amendment to clause 14 to reflect the changes to the rest of the clause, but they are quite techie and detailed and I do not feel that people will be disadvantaged if I do not set out exactly why we need all the consequential amendments. By and large, there was cross-party support for dual discrimination, and it follows that, because the measure was introduced late in the day, we will have to put in shape all prior clauses in order to acknowledge it.

Amendments 152 to 154 are about clarifying "harassment" in clause 25. Amendment 152 replaces the bulk of subsections (1) and (2) with some more straightforward propositions. Currently, subsection (1)(b) defines sexual harassment by copying the wording of European directives, namely whereby somebody

"engages in any form of unwanted verbal, non-verbal or physical conduct of a sexual nature".

We replicated that wording when we amended the Sex Discrimination Act 1975 to implement the relevant directive, but it is difficult to identify any sexual harassment that would not be verbal, non-verbal or physical, therefore those words were probably always superfluous. The wording has not been a problem with the 1975 Act, but in the more far-reaching Equality Bill it could cast doubt on broader references to "conduct".

The second matter that amendment 152 addresses is an ambiguity in clause 25(4). "Harassment" in clause 25 encompasses three kinds of conduct: first, unwanted conduct in relation to all the protected characteristics, but not pregnancy, maternity, marriage and civil partnership; secondly, sexual harassment; and thirdly, less favourable treatment because a person has rejected or submitted to either sexual harassment or harassment related to sex or gender reassignment.

Clause 25(4) covers the third form. The provision is ambiguous and we need to clarify it to ensure that the conduct that is submitted to or rejected has the purpose or effect of violating the complainant's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment. The ambiguity arises because of the way in which the three forms of harassment are described, so we have, as it were, restructured the provision.

Amendment 179 amends schedule 3, which relates to part 3 of the Bill, on services and public functions. The issue is about the provision of services to employees and the ways in which they are to be treated as a section of the public. That is relatively straightforward when it involves the arrangement by employers of such services for employees as gym membership, but when the employer discriminates in providing access to that service, the employer can be held liable. Employers should ensure that all employees can access the service without being discriminated against, but that becomes more difficult when it is applied to group financial products such as group insurance policies—arrangements between an employer and an insurer for the benefit of the employees, their partners and so on.

Group personal pensions are arranged by the employer for the employee as part of their overall package. They are entered into on the basis not of individual characteristics, but of the employer's business and the overall profile of their employees. Currently, employers are responsible for those schemes, as they are part of the employment relationship, and the amendment would remove from the scope of the provisions services group insurance schemes that are arranged in that way. It is very important that I mention that, as it is a change of that kind.

Amendment 186 is a purely technical amendment, so let me bother the House with it no longer. I look forward to hearing from the hon. Member for Forest of Dean (Mr. Harper) about the Conservative new clauses.

Mr. Harper: Before I speak to the new clause, I want to say a brief word about timing—a point well raised by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe). It is obvious at this stage of proceedings, with less than one and a half hours to go until the Report stage concludes, that there has been a gross underestimation of the time that the House requires for debate. That is solely a matter for the Government. Last week I wrote to the Leader of the House—a letter that I copied to Mr. Speaker and to which I am yet to receive a reply—pointing out that she had committed to the hon. Member for Oxford, West and Abingdon (Dr. Harris) to open negotiations with the Opposition parties and interested Back Benchers on the timing of the scrutiny of the Bill on Report. That appears in the *Official Report* of 25 June 2009. That negotiation never happened. She also said that she wanted to ensure that the way that we scrutinised this Bill was an exemplar of how the House of Commons scrutinises Bills. I think it is clear that it is no such thing. If it is an example, it is a very poor one.

Mr. Michael Howard (Folkestone and Hythe) (Con): In the light of what my hon. Friend has said, should not the Minister withdraw the remark that she made a few moments ago when she said that the Government were not asked to provide more time for consideration of the Bill?

Mr. Harper *rose—*

Mr. Deputy Speaker: Order. Before this matter proceeds any further, I think that the hon. Gentleman's comments clearly indicate that time is now of the essence. Perhaps these are matters for another day. I suggest that he now makes the necessary remarks about new clause 41.

Mr. Harper: I am grateful for your guidance, Mr. Deputy Speaker; I am sure that my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) recognises that I will follow it.

The Solicitor-General has clearly outlined the purpose of new clause 41, and we are perfectly happy to accept it. I want to speak to some of the other new clauses and amendments in the group. For the benefit of the House, I will make my remarks as brief as I can. I am not going to curtail necessary debate and the points that I need to make merely because we are short of time, but I will not prolong my remarks unnecessarily. New clauses 7, 8, 9, 18 and 19 and amendments 14, 15 and 31 cover harassment on several grounds relating to sexual orientation or other gender issues. Some of those were tabled by the Liberal Democrats; I understand that the key one is new clause 7, which they may well want to speak to. Having looked at the new clause and reconsidered the matter, I thought that it would be helpful if I outlined our views on it. In Committee, the Solicitor-General indicated that there was no evidence that there was a real problem. The most telling evidence that we heard came from Stonewall, who said that there was no clear evidence that homophobic bullying in schools required this legislative solution and that it could be dealt with in other ways. Stonewall said that it campaigned for legislative change but only where there was an identifiable real-life mischief that required such change, and it was not convinced that it was necessary in this case.

In Committee, the hon. Member for Oxford, West and Abingdon gave the example of two parents who were gay and had adopted a child who would find it difficult if they went to a school where homosexuality was taught to be sinful. I said that parents in that position would not choose to send their child to a faith school where that was the belief of the religion concerned; indeed, I said that that would be a completely crackers policy. In other circumstances, such as bullying between pupils, that is a matter to be dealt with by the school.

Dr. Evan Harris: I am intrigued by the way in which the hon. Gentleman is citing my argument. Is he saying that the best way to avoid the problem is for parents who fear that their child will be bullied to not choose schools where they might be bullied? That is a new line, even from the Conservative party, on parental choice. Surely the argument is that no school should countenance such behaviour so as to maximise the choice available to parents, especially those in the position that he describes.

Mr. Harper: The hon. Gentleman is misrepresenting my remarks, I hope not deliberately. There are two specific situations here. If the child is being bullied by other children, then the right solution is for that to be dealt with by the school and the school authorities. The Solicitor-General made the very sensible point that in the state sector, there is clear guidance from the Department for Children, Schools and Families that it should be dealt with by the school. When the problem is between pupils, it is not appropriate for the law to be involved. The case that the hon. Gentleman is talking about is not really one of bullying but one in which a child whose parents or guardians are gay feels harassed by the school, presumably a faith school, teaching as part of its ethos that homosexuality or its practice is sinful. My point was that it would not be sensible for a parent in that situation to choose a faith school, knowing that they would be putting their child in that position. It would be crackers. It is not at all accurate for him to characterise that as my saying that people have to predict where their child will not be bullied when they choose schools.

Dr. Evan Harris: I can see the point that the hon. Gentleman is making, but I shall put my point in the language that he is using. Is he saying that parents who fear that their child will be harassed by being told that their parents' lifestyle is unacceptable or sinful should have less choice of school? They cannot choose their local state school if that risk exists. Would it not be better to have a provision outlawing harassment, so that faith schools had to work within the framework of non-harassment?

Mr. Harper: I think the hon. Gentleman's argument is really about whether there should be faith schools. I have set out our view of his new clauses, which will give him an idea of how we will vote if he presses them. I believe I will have the support of my right hon. and hon. Friends if I do not prolong this part of the debate, given that we wish to cover a number of other matters.

A number of new clauses and amendments, tabled by various Members, are about discrimination according to caste. Those are new clauses 10, 30 and 43 and amendments 2, 53, 187, 188, 192 and 193. I and a number of other Members raised the matter in Committee, and we took the line that we were not convinced that there was a serious existing problem in the UK. I suggested that if it were proved that there were, it might be possible to subsume protection against caste

discrimination into one of the other protected characteristics. The Solicitor-General said that the Government had looked hard to see whether there was evidence of such discrimination, and that such evidence had not been brought before them. However, she said that they were continuing to examine whether there was a specific problem.

Jeremy Corbyn: There is a great deal of information and evidence about the presence of caste discrimination in this country, not least in the document produced by the Anti Caste Discrimination Alliance over the past few weeks, which is a significant study. It is time to put to rest the line that many people have taken that there is no evidence of caste discrimination—there is an enormous amount, and it is time that we addressed this scourge on the many people in our society who suffer from it.

Mr. Harper: I am grateful to the hon. Gentleman. In a moment I shall draw attention to the information from the ACDA that I received just last week, and then I will listen carefully to the Members who have proposed the relevant new clauses and amendments. I was simply setting out what the Solicitor-General had told us, and I have not seen any evidence that the situation has moved on.

It would be helpful if those who have tabled the new clauses and amendments explained how we can deal with the problem. Some have proposed a new protected characteristic and some propose adding caste protection to the race discrimination provisions, and it would help if they explained what other type of discrimination caste discrimination is most akin to. I have looked into it, and it clearly has some similarities with race in the sense that people are born with it and are unable to change it, but its origins are heavily linked to religion and the Hindu faith. I am not sure how well adding it to one of the other protected characteristics would deal with the matter. Equally, I am not terribly keen to start creating a large number of new protected characteristics, given that one of the central purposes of the Bill was to bring together a number of strands of discrimination and simplify legislation on them so that it can be enforced more effectively in practice. It may be that there is a good case for including caste as a protected characteristic, but there may also be a case for including a lot of other things. If we end up having a very large list of protected characteristics, this area of law will become ever more complex. However, I will listen with interest to those making those proposals.

4.45 pm

I said that I would speak briefly about the letter that Members received from the ACDA, which refers to a scoping study it carried out between August and October. Not being a statistician, I do not know how much weight one should give to that study. The organisation says that 300 people participated in an online questionnaire and that there were nine focus groups in England. It said that from that survey, there was clear evidence that the caste system had been imported into the UK with the Asian diaspora and that caste discrimination affected people in ways beyond personal choices, including in employment, education and the provision of services.

ACDA said that based on the survey data, there may be 100,000 people in Britain who are affected by such discrimination. I do not know—I presume the Minister has had professional advice on this—whether an online survey in which 300 people participated and the findings of nine focus groups is sufficiently robust research to draw the conclusion that 100,000 people suffer such discrimination. If that is true, the House will want to look at it very seriously, but on the face of it, I am not sure one can draw that conclusion from the depth of that research. As I said, I am sure the Minister has had advice from officials and statisticians on whether it would be safe for the House to reply on that basis. I am sure she will remark on that when she responds.

My right hon. and learned Friend the Member for Folkestone and Hythe, to whom I was not allowed to respond earlier, tabled amendment 196, which refers to the age discrimination provisions in the Bill. We welcome the introduction of measures to ban age discrimination, but we raised in Committee the fact that the provisions in the clauses on age discrimination, principally clause 192, which amendment 196 attempts to improve, are very wide powers, and that the vast majority of the detail was going to be brought forward by secondary legislation.

My right hon. and learned Friend has a company in his constituency that would be affected by the measures, for which he will speak up very effectively later if there is time, but we raised its concerns, and those of a number of other organisations, in Committee. We asked whether the Bill would allow very sensible, worthwhile business models that give older people better terms and conditions, which we termed "good discrimination", for things such as holidays, leisure facilities and insurance products, and whether such models would be sufficiently recognised.

We were concerned about that at the beginning of the Committee, but less concerned after the Minister published the Government's consultation on age discrimination, because it adequately recognised the concerns of those business organisations and asked for their responses. The consultation has now closed, but we have not yet seen those responses or the Government's response. The regulations that implement those age discrimination measures will be informed by the consultation and we will be looking closely at whether they accurately reflect the consultation and the concerns of those business organisations. Clearly, our support or otherwise is contingent on that. My right hon. and learned Friend may not have a chance to make these points, but I know he will be looking to the Minister for a clear assurance that the regulations will ensure that businesses that legitimately provide products based on the age of consumers will be able to continue. He and many who are employed in his constituency will welcome a clear response from the Minister on that.

The final areas on which I want to touch briefly relate to religion. New clauses 31 and 32, the latter tabled by my right hon. Friend the Member for Maidstone and The Weald, will—from the point of view of the Conservative party—be subject to free votes, so what I am about to say will be my personal views. I also have some questions for those who tabled the new clauses, the answers to which I will take into account when I cast my vote later. The two clauses are very similar in their drafting, although new clause 31 refers to care homes for the elderly and new clause 32 refers to adoption or fostering agencies.

Both clauses specifically refer to voluntary care homes and voluntary agencies. How would that affect those agencies that take money from public funds? My view is that if a care home or adoption agency takes money from the taxpayer and provides a public service, it

should do so in a non-discriminatory way. For example, if a voluntary care home has any clients who are paid for by the taxpayer, does that change the nature of that organisation and would it affect the impact of new clause 31?

My second point refers to the drafting of the new clauses. Both specifically say that a care home or adoption agency would be able to restrict the provision of their services or facilities to a person on the grounds of their sexual orientation. If they were to restrict the provision of services, they would have to refer the person seeking them to another organisation that could provide services for them. That restriction could be imposed only if necessary to comply with the doctrine of the organisation or to avoid conflicting with the strongly held religious convictions of a significant number of the religion's followers. I am a little confused about that, because most of the religions—and, given the supporters of the amendments, we are largely talking about Christianity—do not have a problem with someone's sexual orientation, per se, but with the practising of that sexuality. Those religions also have a problem with those who have sex outside marriage, even if they are heterosexual, but the clauses refer only to sexual orientation. It would be helpful to know why they were drafted in that particular way.

Dr. Evan Harris: I understand that the hon. Gentleman is speaking for himself and that it is his view that if one is in receipt of public funds and delivering a public service, one should not discriminate, and that therefore, for example, a Catholic adoption agency should not say that it will not provide services to gay couples. On the same basis, is it right that a Catholic adoption agency, funded by the public and delivering a public service, should be able to say that it will not provide services to Jewish, Protestant or Muslim couples seeking to adopt?

Mr. Harper: If the hon. Gentleman will forgive me, I shall limit my remarks to the new clauses that are under consideration today, given that we are short of time. Otherwise, we would be in danger of widening the debate and I suspect that you, Mr. Deputy Speaker, would jump on me from a great height if I did so.

Amendment 37 was tabled by the hon. Member for Stroud (Mr. Drew) and it refers to schedule 9 to the Bill and an exemption provided for religious organisations in employment matters. There is an interesting dispute here about whether the Government are changing the existing law. The provision in the Bill is about the definition of employment for the purposes of an organised religion, and the amendment would remove that definition from the Bill.

There are two parts to the definition:

"Employment is for the purposes of an organised religion only if the employment wholly or mainly involves…leading or assisting in the observance of liturgical or ritualistic practices of the religion, or…promoting or explaining the doctrine of the religion (whether to followers of the religion or to others)."

Many Christian and other religious organisations are concerned that the definition is new, will change the law and narrow the scope of the exemption. They are concerned because they believe it will prevent them from using the exemption for a number of posts in their organisations where they are currently able to do so.

John Mason: The hon. Gentleman said that many posts would be excluded by the definition, but some people feel that all posts would be excluded. Let us consider the definition:

"wholly or mainly involves…leading or assisting…liturgical or ritualistic practices…or…promoting or explaining the doctrine of the religion"

Even a full-time priest, minister or pastor would not "mainly" be doing that, because much of their time is spent visiting the sick and perhaps with funerals and so on. In fact, therefore, the definition could exclude everybody.

Mr. Harper: The hon. Gentleman, who served on the Public Bill Committee, anticipates some of my later remarks. Ministers and priests have written to say that they do not think that what they do would be accurately captured by the definition. On some areas, there is a dispute between the Government and organisations, but the Government have been clear about one thing: ministers, priests and those who lead worship in churches should be covered by the definition. However, many organisations are now concerned that even those positions would not be covered, so it would not even achieve what the Government hope.

Andrew Selous (South-West Bedfordshire) (Con): Does my hon. Friend agree that there is a double standard here? It seems to be in order for the Labour party to discriminate against committed Conservatives applying for a post as, for instance, director of a research department, so why should faith-based welfare organisations not have the same degree of free association, whether they are Christian or of any other religion? That is a fundamental principle, and it strikes me as odd that we exempt political parties and treat them in one way, but treat faith-based organisations completely differently.

Mr. Harper: My hon. Friend makes a good point, and he will not be surprised to learn that it has been made by a number of those faith organisations that feel that they are being treated unfairly.

When we raised that point in Committee—we discussed it at length—I think that the Solicitor-General's argument for the Government was that the provision did not change the existing law, but simply clarified the definition to save courts and tribunals having to do it themselves. Effectively, she said that it did not change the position. We probed and argued, and the more that I learned about it afterwards, the more time that I took and the more that I looked into it, the less convinced I was that she was right. I think that the definition narrows the scope of the law. That is why I have put my name to amendment 37 and why Conservative Members will be happy to support the hon. Member for Stroud if he presses it to a vote.

Mr. David Burrowes (Enfield, Southgate) (Con): Does my hon. Friend share the concern of a wide spread of Christian denominations, from the Church of England through to the Fellowship of Independent Evangelical Churches, which do not understand why the Government have departed from their position in the Employment Equality (Sexual Orientation) Regulations 2003? In the 2004 Amicus case, the Government said that they were engaged in

"striking a delicate balance between the employment rights of gay and lesbian people, and the right of religious groups to freedom of religion",

and that they were

"concerned it would lead to litigation in tribunals about the extent to which requirements dictated by doctrine or the religious convictions of followers could legitimately limit working for an organised religion".

Is it not the case that the provisions will affect that balance and strike at the heart of religious liberty?

5 pm

Mr. Harper: My hon. Friend is right. I was just getting on to why we have ended up in this position, and from a European route too. The European Commission has issued a reasoned opinion that claims that the UK exemptions passed in 2003—the regulations to which my hon. Friend referred—are broader than allowed by the employment directive of 2000. Indeed, the Commission is effectively lobbying the House, in a way that I do not feel is entirely appropriate, by saying:

"We welcome the proposed Equality Bill and hope that it will come into force quickly".

The European Commission has no business telling the Parliament of the United Kingdom whether we should pass legislation. Frankly, that is none of its business. It would be interesting for the Solicitor-General to tell us whether the Government have indeed tightened the Bill in response to the Commission's reasoned opinion.

Dr. Evan Harris: Obviously.

Mr. Harper: This is interesting, because I think that I am right in saying—the hon. Gentleman will correct me if I am wrong—that he and I both think that the Government have narrowed the scope of the exemption. He welcomes that—if narrowing is indeed what the Government have done—whereas we do not; but interestingly, we both think that the narrowing has taken place. In Committee, the Solicitor-General held the view that there had been no narrowing. *[Interruption.]* The right hon. and learned Lady repeats her view now from a sedentary position. However, I do not think that hon. Members will find that convincing, which is why it would be helpful to test the opinion of the House.

Mr. Drew: I thank the hon. Gentleman for giving way, seeing as we are discussing amendment 37 in some detail. Like him, I am concerned about the position of the European Commission, particularly as it would seem that the Commission did not formally publish what role it had played in trying to influence the Government. Only by a degree of investigation and chance did we discover what the Commission's perspective is, which is doubly unhelpful and a good reason why amendment 37 should be accepted in due course.

Mr. Harper: The hon. Gentleman makes a good point. The European Commission openly said that it had written a reasoned opinion and sent it to the United Kingdom. However, I understand—I am sure that the Solicitor-General will correct me if I am wrong—that when various organisations have tried to get hold of a copy, officials from the Government Equalities Office have declined to let them have one on the grounds that such opinions are confidential to the Government. It is helpful that we now have a copy of that reasoned opinion from a source in Brussels, but it is disappointing that it was not released by the Government. It should be placed in the Library, so that all Members can see it. It would be helpful if the Solicitor-General can let me know when she responds to this debate—or now, if she wants to intervene—why it was felt necessary to keep that secret.

I understand that the reasoned opinion states that the Government have given an undertaking to remedy the alleged defect that the European Commission says is in our existing law, but the Solicitor-General has just confirmed to the House that the law is not being changed at all. I do not see how we can square that circle. The view that the hon. Member for Oxford, West and Abingdon and I share—that the measure has been narrowed—is the right one. We might differ on how welcome that narrowing is, but what he and I have set out, as well as the Government's response to the European Commission, all appear to confirm that. If there has indeed been such a narrowing, as we think there has, we shall support amendment 37, standing in the name of the hon. Member for Stroud, which seeks to extract that definition from the Bill.

Dr. Evan Harris: The hon. Gentleman is absolutely right. The nub of the issue is that the Government cannot have it both ways. They cannot tell the European Commission that they will comply, and thereby avoid infraction proceedings, by narrowing the scope of the measure that they say the Commission judges to be too wide, but at the same time tell us, with the other side of their face, that there is no narrowing at all. They cannot have it both ways. The reasoned opinion makes it clear that the Government have assured the Commission that what we have is the very narrowing that the Commission required.

Mr. Harper: I am grateful to the hon. Gentleman for that. This will obviously take some time and I apologise to the House for that, but it might be helpful for hon. Members to know that paragraph 19 of that reasoned opinion—reasoned opinion No. 226, on EC cases other than failure to notify measures—says:

"The UK Government has informed the Commission that the new Equality Bill currently under discussion before the UK Parliament will amend this aspect of the law and bring UK law into line with the Directive."

Assuming that the European Commission has correctly interpreted what it has been told by the British Government, I do not see how that interpretation can be true given what the Solicitor-General has told us—that this definition does not narrow the law. They cannot both be true: either the Government have misinformed the European Commission or the European Commission has been very confused. In that case, the Solicitor-General will be able to tell us and she will either have to get a letter winging its way immediately to the European Commission to put it straight or she will have to admit to the House that the provision does indeed narrow the exemption, which she has insisted today is not the case. In any event, we will listen to her explanation with great interest.

Colleagues may feel that I have done this particular aspect of the provisions to death, so I shall briefly pick up a few points I made in response to the hon. Member for Glasgow, East (John Mason). Members will be pleased to know that I am coming to my final point, as I know others want to enter the debate. I remind them, however, that I did not draft the programme motion.

[Mr. Harper]

I have had a number of letters from pastors and priests that have been passed on to me from various Christian organisations. I shall try to give a general sense of them rather than quote from them. The authors do not believe that their leadership role within their Churches falls within the definitions. Let me cite one from Spencer Shaw, the pastor of the Emmanuel Evangelical church in Chippenham. He makes the point that he works more than 50 hours a week and that although some of that time is spent leading corporate worship and teaching biblical doctrine, the larger proportion of his time is spent on other matters of running a church. He spends many hours each week in leadership meetings, working with other Churches, organising events, training staff and volunteers, visiting the sick, and listening to and encouraging people with problems. He also spends many hours in study, personal prayer and preparation. He says all those activities

"are vital to the role of the Christian Minister and must be undertaken by someone whose beliefs, ethos and lifestyle are consistent with those of the church he leads."

He does not feel—I have read his explanation of what his job involves—that he would fall within the terms of the definition in the Bill because he would not "wholly or mainly" spend his time on the two specified activities. If the definition does not even include people who lead worship in their churches, it seems to me that it is a faulty one.

I could add a number of other examples, but I will not try the House's patience by reading them into the record. I am not at all convinced, however, that this definition is sound or that the Solicitor-Genera is giving us a straight answer about whether it changes the law. I hope that she is able to clear that up, as it does not accord with what the Government have told the European Commission. On that note, let me make it clear that Conservative Members will support the hon. Member for Stroud if, as he has indicated, he presses his amendment to a Division.

Mr. Drew: This will be a short speech, as we have already covered much of the ground. I intend to press amendment 37 to the vote. The amendment is straightforward in the sense that it simply removes paragraph 2(8) from schedule 9. What those who feel strongly about this want to see is effectively a return to the status quo. We have just had an argument about whether and why the Government's interpretation is narrow. The simple answer is that even if we argued crucially that ministers as part of organised religion have certain protections—in some cases those protections have been found wanting by the courts under existing legislation—others involved in religion do not. It is absolutely right to protect people when they are going about doing something that in any other walk of life they would feel entirely free to do.

Several examples have been given. The hon. Member for South-West Bedfordshire (Andrew Selous) mentioned political parties. We saw a real live example involving them when a peer who had taken the Labour Whip until the last election had it removed from him because he had happened to make a voluntary donation to a friend who was a member of another party. Some of us may have misgivings about that, but it happened, and that individual had no recourse because he was seen to have been disloyal to the political party that he served as a parliamentarian.

I believe, as do the other Members who signed up to amendment 37, that that safeguard would not apply to religion, and we feel strongly that there is a need for protection. We are not asking for a change in the law; we are merely asking for the status quo to be reinforced. It is irrelevant to us whether the narrowing of the definition is a result of the Government's own inclination or of pressure from the European Union. The simple fact is that if sub-paragraph (8) is removed, we shall feel that the position has been clarified.

This issue has been a source of debate not only here but in the Public Bill Committee, on which I, like others, was pleased to serve. To be fair to the Solicitor-General, I should say that we were given some clarification, and some of us felt that it would go a long way towards making clear that people in organised religions would be given rights and protections. However, the Government seem to have moved in the other direction and weakened those protections, which is why I tabled amendment 37.

The strength of public opinion was demonstrated in a letter sent to the Minister for Women and Equality saying that members of many Churches and other religions—for this concerns not just the Christian community, but a number of religions—felt that if the provision were passed in its current form, it would bring about a deleterious change that would threaten to prevent those involved in organised religion from going about their everyday business.

I hope that the Government will think again and will agree to take us back to where we thought we were—or, at least, the position to which we thought they were moving in Committee—rather than taking an even harder line and restricting even further the freedom of operation of people who, in good faith, pursue their religious convictions. I tabled the amendment because I believe in freedom of conscience. I do not believe that there should be a right to discriminate against people who are, for instance, gay or disabled, but I do believe that people have a right to work with fellow members of their faith. I believe that that right should be recognised and should not be undermined by people who come in and say—as happens too often nowadays—that they want exactly the same rights as members of organised religions whose faith they may not share and whose goals they may not wish to pursue.

I hope that the Solicitor-General will consider amendment 37 carefully. It seems to have attracted support from both sides of the House. I hope that, even at this late stage—I am sure that those in the other place will give the amendment careful attention if it is not accepted here—we can obtain clarification and stop the narrowing of the rights of members of organised religions. I should be delighted, in due course, to press the amendment to a vote.

5.15 pm

Dr. Evan Harris: There are a lot of amendments in this group, and I know that many Members wish to speak to them, so I will be as brief as possible, especially as much of the necessary ground has been covered in the previous two speeches. While I do not agree with what the hon. Member for Stroud (Mr. Drew) has said,

I certainly think that he and the right hon. Member for Maidstone and The Weald (Miss Widdecombe) have a right to have a debate. I also hope that the House will recognise that I have tried on more than 10 occasions to secure adequate debating time for the Report stage of this Bill. I got several assurances from the Leader of the House that there would be proper consideration and scrutiny not only of Government amendments—there are five more groups of Government amendments that we will not get anywhere near scrutinising—but of other important amendments that divide the parties, and that cannot be dealt with on Division in Committee as it is not possible for the breadth of opinion that exists to be expressed in Committee. It is nothing short of disgraceful that we are in this position now. A second day is all that would have been required for us to make sufficient progress.

I accept that the Speaker has done what he can by providing large groups that enable us to touch on a number of issues, but the Leader of the House will go down in history as having organised things in such a way that more amendments and new clauses than ever before have fallen without scrutiny in this place. The Government will find it more difficult to get their business through the upper House because of this failure to give us the opportunity to debate these matters, and that is counter-productive for the Government.

The Solicitor-General: The facts are very straightforward: no Whips from any Opposition party asked our Whips for a second day. Nobody at all from either main Opposition party has ever approached me asking for a second day either, and therefore, by default, one day has been allocated. If anybody had wanted more, they only had to ask and we would have considered their request. The letter from the hon. Member for Forest of Dean (Mr. Harper) that caused—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to interrupt the hon. and learned Lady, but the point she is making is a debate for another day given that we now have only three quarters of an hour left. I am sure this issue will be returned to in other ways later.

Dr. Harris: I understand your concern, Mr. Deputy Speaker, and I can only say in reply that, as reported in *Hansard*, I asked the Leader of the House on 25 June whether she would open negotiations—

Mr. Deputy Speaker: Order. This does not help either. Perhaps Dr. Harris will now address his remarks to the amendments before the House.

Dr. Harris: I want to deal first with new clause 7—and new clause 8, which is closely related—which calls for protection from harassment on the grounds of sexual orientation in education and the delivery of public services. Protection already exists in those areas in respect of other grounds, so it is necessary also to protect vulnerable individuals on these grounds.

The key point about people in education and using public services is that they are a captive population. They cannot choose another hotel, another bed and breakfast or another retailer; they rely on public services, and in schools, they are particularly vulnerable. Therefore, all one needs to do to make the case for this provision is to show that there is a bullying and harassment problem in those places and that the new clause will do the job in providing protection, just as the existing provisions, such as for protection from racial harassment, do their job.

It is also necessary to ensure that there is no undue infringement of free speech, however. I hope that hon. Members will accept that I am always sensitive to arguments about that, which is why my proposed definition of harassment in relation to sexual orientation is, even for schools, slightly narrower than the existing provision for sexual orientation harassment in employment, as it requires both a violation of dignity and the creation of an environment that is

"intimidating, hostile, degrading, humiliating or offensive".

A number of studies have shown that there is harassment on the grounds of sexual orientation. A European Union study showed:

"Discrimination on the ground of sexual orientation…becomes an important issue for secondary schools…The main problems experienced by LGB individuals include: harassment and bullying…insulting and degrading treatment during classes…Fellow pupils may threaten or subject LGB pupils to verbal and physical abuse in the classroom and on school grounds".

That evidence is cited by the Equality and Human Rights Commission in support of including a measure such as this in the Bill.

In addition, the EHRC's briefing material states:

"Stonewall found that of the 1,100 lesbian and gay people interviewed in 2007 for The School Report:

Almost two thirds…of young lesbian, gay and bisexual pupils have experienced direct bullying. 75 per cent. of young gay people attending faith schools have experienced homophobic bullying."

The idea, promulgated by the hon. Member for Forest of Dean (Mr. Harper), for whom I have a great deal of time otherwise, that the solution is for parents to choose schools where pupils will not be harassed is astonishing. Would he make the same argument about racial harassment—that argument could be made, too? That is otiose and odious in principle, but the idea that this provision should apply in areas where there is no choice of school, or that people who are vulnerable to harassment should have a smaller choice of schools because they have to avoid the schools where harassment takes place, is bizarre. In the Public Bill Committee I asked the representatives of religious organisations whether anything in the way in which they deliver the curriculum, be it on religious education or anything else, amounted to the creation of an environment that was hostile, degrading, threatening or offensive, and they said that there was not. They said that that was not part of what they do, so I do not think that this provision will in any way hinder what faith schools can do. In fact, it is not about faith schools; it is about all schools.

Andrew Selous: I speak as a governor of a voluntary controlled state school in my constituency. Is it not the case that all schools, faith schools or otherwise, take all bullying and all harassment extremely seriously? None of them is negligent about it, so why do we need a new provision? Is this not dealt with already?

Dr. Harris: No, it is not, because protection from harassment on the grounds of sexual orientation is not available in school as it is in employment. If schools had policies sufficient to ensure that this was not a problem,

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as the hon. Gentleman and I agree they should, we would not be turning to the law. However, the evidence that I have just set out for him, which is well established, is that young people who are lesbian, gay or bisexual or who are perceived as such do experience harassment. It was found that 97 per cent. of pupils hear other insulting homophobic remarks such as "poof", "dyke" and so on, and less than a quarter—23 per cent.—of young gay people have been told that homophobic bullying is wrong in their school. It was the hon. Member for Forest of Dean who seemed to say that this was about faith schools. I am not making that point, because this is about all schools, as it is a current problem for all schools.

John Mason: I am against all bullying in all schools, as I am sure all other hon. Members are. The hon. Gentleman has cited high figures for certain types of bullying, but does he accept that there are high figures on almost every other kind of bullying too? The level of bullying faced by religious people is potentially even higher than that faced by the lesbian, gay, bisexual and transgender community.

Dr. Harris: The hon. Gentleman will see that new clause 9 contains a provision to extend protection from harassment on the grounds of religion, on an even narrower definition in order to preserve the free speech that is even more greatly engaged there. It would not make provision in respect of an "offensive environment" because people can easily be offended, as I understand it, on the grounds of religion. So that is not an argument for not having the protection. The argument for having the protection is the mischief that exists. That is a view—I am not going to go into more evidence, because we need to move on—supported by not only the EHRC, but the Joint Committee on Human Rights. Paragraphs 114 to 118 of its thick report on this Bill, which contains 112 recommendations, clearly stated that it wanted protection against harassment to be extended to the sexual orientation ground and indeed to the transgender ground—the gender identity ground, which does not currently exist in schools for a similar reason.

David Howarth: I have had extensive contact over the past few years with organisations that deal with bullying. Their evidence shows that homophobic bullying is second in incidence only to bullying on the grounds of appearance.

Dr. Harris: We recognise that there is a problem. This is protected ground in employment. Why should vulnerable people in school not have the same rights to protection on the grounds of harassment that people have in employment? The Equality and Diversity Forum also supports the provision of protection from harassment in schools and public services.

I accept that new clause 9, which deals with religion, is more controversial. The Joint Committee on Human Rights has not expressed an opinion, so I would not seek to divide the House at this stage on the question of harassment on the grounds of religion. I would point out to hon. Members, however, that the definition there is narrower and, of course, protection already exists in employment. It seems to those on the Liberal Democrat Benches that there should be some protection in schools.

Let me deal, if I may, with caste discrimination. This has already been mentioned by the hon. Member for Forest of Dean, so I shall not spend too much time on it, but it is clear that there is a problem. If even one person suffers discrimination, let alone a small percentage of people from that background, it makes sense, now that we have a Bill—after 12 years—that gives us the opportunity to make it a protected ground, to seize the moment. If there is not a problem, such a provision will not be used. To come back and have to await further primary legislation is not seizing the moment, if 12 years can be described as a moment. The problem with the Government saying that there is no evidence is that, in their attempt to find evidence, they consulted only 19 organisations—a figure that is narrow by anyone's terms—all of which were organisations that condone the caste system. It was therefore not a surprise, as we said in Committee, that they said that there was not a problem.

The Anti Caste Discrimination Alliance has done the research and its report shows—I would say that that was good evidence—that caste discrimination is rife in the UK, with more than half of those from traditionally lower status Asian backgrounds finding themselves victims of prejudice and abuse. How can we test this in the courts if there is no basis on which to do so? I do not know why there is a sudden threshold of x many thousand, but even if there were that threshold, I think that it has been met.

Jeremy Corbyn: Will the hon. Gentleman also concede that one of the problems is that people of lower caste who are discriminated against in opportunities, housing, jobs and a whole range of other things are often very isolated and very poor, and have no access to lawyers or to any independent advice? Putting something in the Bill would at least offer the opportunity for making a serious case on behalf of people who are suffering in silence with no obvious access to any kind of legal redress.

Dr. Harris: I agree. It would be a great pity if we did not take the opportunity to tackle the problem in the Bill. I do not think that it is an ever-growing list—there are not lots of extra grounds. This is one specific ground where there is clearly potential for harm and evidence of discrimination and harassment.

New clause 18 is an important new clause that would seek to define clearly in statute, and not just in case law, that discrimination against someone on the grounds of a manifestation of their sexual orientation—such as sex outside marriage, which is the only option that gay people have—is discrimination on the grounds of sexual orientation. That was made clear in the Amicus case, but, as we heard, there is doubt about this because the hon. Member for Forest of Dean asked that question in respect of the amendment tabled by the right hon. Member for Maidstone and The Weald. It is a live question and many organisations told us in evidence that they thought that they would be allowed to discriminate, not on the grounds of sexual orientation, which is not allowed, but on the grounds of sex outside marriage.

Let us be clear that that is discrimination, because the proportion of gay people who can meet that condition is zero and the proportion of heterosexual people able to meet that condition will always be more than zero, because they can get married. That is discrimination on

the grounds of sexual orientation. The Minister said in Committee that she agreed that it was. Making it clear in the Bill will solve all the problems of people believing that they can get away with using such behavioural conditions to get around the ban on sexual orientation discrimination. It will also prevent religion being used as a proxy for such discrimination, by someone saying that one cannot be an orthodox, or proper, member of whatever the religion is if one's private life does not comply with the requirement to have sex only inside marriage, for example.

5.30 pm

New clause 19, which is supported by the Joint Committee on Human Rights and is therefore important, asks simply that discrimination by association and perception, which is barred in case law, be expressly covered by the Bill. That would help carers and people who are perceived to be members of protected groups.

On the subject raised by the amendment tabled by the hon. Member for Stroud, it was useful that the hon. Member for Forest of Dean said from the Conservative Front Bench that we have to comply with the EU directive. Indeed, we were supposed to do that when we passed the 2003 employment regulations. The trade union Amicus and others took the case to the High Court, before the Bill, to argue that the exemption that we are talking about was too wide in respect of sexual orientation. Although that case was lost, the judge said that it would have to be read narrowly.

A complaint was then made to the European Commission, by the National Secular Society, I believe—I declare my interest in that respect—that the 2003 regulations did not faithfully comply with the directive because the exemption they gave was wider than the exemptions envisaged in article 4(1) and (2). It is clear from what has been revealed that the Commission has found that the exemption is too wide, and requires the Government to narrow it—or perhaps it requires them to clarify the matter. If they would place the reasoned opinion in the Library, there would not be the current opacity and secrecy, and we would be able to see clearly why they do not believe that this is a narrowing.

There should be no doubt that unless someone is involved in liturgy, proselytising or other activities set out in the schedule, they should be protected from discrimination on the grounds of sexual orientation. It is wrong that people doing youth work who are employed by a religious organisation should be drummed out of their jobs because of their sexual orientation, or be made to be celibate.

John Mason: The hon. Gentleman uses the term "drummed out". Does he accept that there is a difference between recruiting someone and dealing with them in the way mentioned by the hon. Member for Stroud when they have changed their position once in employment?

Dr. Harris: The directive states that the characteristic has to be

"a genuine and determining occupational requirement".

Sexual orientation is not a genuine and determining occupational requirement for youth workers, secretaries or care takers. Religious organisations can say that it is, and I support them in this, in respect of

"leading or assisting in the observance of liturgical or ritualistic practices of the religion,"

or

"promoting or explaining the doctrine of the religion".

I accept the point that has been made that even if they spend most of their time doing pastoral work and do not run many services, they should be covered by that provision. If that is the issue, perhaps clarification is needed. There is no difference between us on those grounds.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does my hon. Friend realise that many youth workers in churches have as their primary activity the explanation of the doctrines of the religion to those with whom they work? Where do they fall in his understanding of the definition?

Dr. Harris: If their job is promoting and explaining the doctrine of religion, and if their employment wholly or mainly involves doing that, theirs is a teaching role rather than one of organising activities and doing other pastoral work that youth workers do. I think that such a role would fall clearly within paragraph 2(8)(b) of schedule 9, and my right hon. Friend should be reassured. It is not in our interests to interfere with the right of religious organisations, within this exemption, to ensure that those promoting and explaining the doctrine are not subject to gender or sexual orientation requirements. I hope that he accepts my good faith on that issue.

Andrew Selous: The hon. Gentleman keeps returning to sexual orientation, but does not he understand that the current law has already been used against Christian-based welfare organisations that wanted to employ someone who shared their faith? They were challenged and lost their case. This issue is much wider than sexual orientation, and touches on issues such as freedom of association and the ability of faith-based organisations to pick someone of that faith to carry out work within that organisation.

Dr. Harris: Let us be clear: religious organisations have far more scope to restrict employment to people who share their religion than is covered by this part of the schedule. I accept that the exclusion in respect of discrimination in employment on the grounds of religion is now narrow, but we are talking about sexual orientation. That is separate from religion, and one cannot say that a person is of the wrong religion because of sexual orientation, except where that is involved in the two practices set out in the new clauses.

Mr. Drew: I am grateful to the hon. Gentleman for giving way, although we disagree about whether sexual orientation is the only issue here. However, does he agree that Mr. Justice Richards did not say in his judgment that the narrowing of the definition by the European Commission was necessarily the right way to go? Clearly it is a complicated judgment, but the High Court is at variance with the Commission, and that is why some of us question why the Commission's opinion is considered to be sacrosanct.

Dr. Harris: If we sign up to a treaty we have to abide by it, and the Commission gets legal advice about infractions on our part. Mr. Justice Richards said that in his opinion a narrow reading of the Government's approach could be in compliance with the treaty, but that was his opinion and he is only one judge. If the Government wanted to resist this proposal, they could

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take the matter to the European Court of Justice in Brussels and see where they got to. It looks as though they have chosen not to do that, so I shall move on to the final groups of amendments, which deal with schedule 23 and discrimination in the delivery of goods and services on the grounds of religion.

My colleagues and I have tabled amendments 199 and 200, which specifically propose that an organisation with a religious ethos that is delivering public services—and which is therefore in receipt of public funding, or which is part of a structure delivering public services or under a contract to do so—should not discriminate against users on the grounds of their religion. If such an organisation were providing a care home, say, the home may appeal particularly to followers of that religion, but the organisation could not hang a sign on the door excluding people from other religions.

For example, a Jewish care home could not exhibit a sign saying, "No Muslims". A sign like that would not be acceptable in racial terms, and it is not necessary or acceptable in religious terms, because the organisation involved is providing a public service. My amendment 199 would restrict an organisation's freedom to discriminate in that way when delivering a public service.

It is the same with adoption. I disagree with the new clause tabled by the right hon. Member for Maidstone and The Weald: I think that it is wrong for people delivering public services to discriminate on the grounds of sexual orientation, and the same applies to religion. If it is wrong for Catholic adoption agencies to say that no gays need apply, it is also wrong for them to say that no Protestants need apply either. It is not good enough to have a referral system, because such a system does not deal with discrimination where it is unacceptable. The problem with buses in Alabama was not dealt with by allowing companies to say, "We discriminate, but don't worry, the next bus along won't discriminate against you."

An organisation delivering a public service has a relatively captive population, and people should not have to shop around to find a place where their dignity will be respected and they will not suffer discrimination. The real danger is that an unamended clause 145, which deals with public sector duty as it extends to religion, could lead to a balkanisation of public services. By that I mean that more and more such services will be delivered by organisations with a religious ethos because local authorities will feel themselves under a duty to allow every group to have their own service. The result will be that the services provided will be discriminatory.

That is not the way we want to go. We want to build social cohesion and, although some organisations will appeal to the religion of certain of their users, we should not allow them to discriminate in those people's favour. In fact, it would be healthy for a halal meals-on-wheels service to ask anyone, "Would you like to enjoy the halal service that we're providing on behalf of the council?"

John Mason: I appreciate the hon. Gentleman giving way again, but will he clarify his proposal? Is he saying that schools, for example, should exhibit the same grey sameness, with all of them exactly the same as all the others? Is it not equally valid for a local authority—such as Glasgow, for example—to provide Catholic, non-denominational, Jewish or Muslim schools for families who want them? Is that not an equally good way to provide public services?

Dr. Harris: There are two questions: whether there should be a variety of providers delivering education or other public services, and whether they should discriminate. Plenty of faith schools do not discriminate. So why should one be allowed to discriminate in respect of either employment or the users of services, or pupils, on the grounds of religion? That brings me to amendments 14 and 15, which deal with faith schools.

Sammy Wilson: Will the hon. Gentleman give way?

Dr. Harris: I will do so in a moment; I want to deal with this point, and then make sure that I finish very quickly.

If the Government are right that they need to restrict the provision in schedule 9 to comply with article 4.2 of the European directive, it is clear that the faith school provisions in sections 58 and 60 of the School Standards and Framework Act 1998 have a total exemption from the Bill. Amendments 14 and 15 would deal with that. The Bill says that, regardless of the Bill, schools can do anything under sections 58 and 60 in terms of discriminating against people on the grounds of their religion—or, indeed, their lifestyle—as schools think they can. That is clearly outside the scope of the directive, and I think that the Government know that it is challengeable on those grounds.

It is wrong that that exemption should be specified in the Bill. Why do the Government not remove the exemption in schedule 22 and just ensure that faith schools operate under schedule 9, and have to make that case? That is why we propose amendments 14 and 15. I think that time will show that when a teacher is sacked for being of the wrong religion, or no religion, by the local state school employer that happens to be a faith school, the school will lose and we will be back to square one in needing to amend the legislation.

Sammy Wilson: The hon. Gentleman has indicated that he has no difficulty with faith schools, but he suggested earlier that faith schools should not be allowed to promote a certain belief that people felt harassed by—and, indeed, that they should be covered by this legislation. He cannot have it both ways, can he?

Dr. Harris: Schools cannot have it both ways. The faith organisations that run schools cannot tell the Public Bill Committee that they would never deliver anything, even their RE, in a way that creates an environment—this is the definition of harassment—that is demeaning, degrading, intimidating, offensive or humiliating. They say that they do not do that. Therefore, the hon. Gentleman cannot have it both ways and say that they need to be able to do that, when the schools are saying that they do not need to. If we get a chance to vote on new clause 7 and the other amendments in this group, I urge the House to support them.

Ms Katy Clark: It is a pleasure to speak to amendment 53 and new clause 35, on the Scottish Gypsy Traveller community. There are approximately 25,000 Scottish Gypsy Travellers, and it has been far from clear for a very long time whether they are protected by current

legislation—in particular, the Race Relations Act 1976. There is legal precedent in relation both to Irish Travellers and Romany Gypsies. The position has been far less clear in relation to the Scottish Gypsy Traveller community. I have therefore been asked by that community to bring this issue to the House today, to ask for clarification on its position.

I should be interested to hear the Solicitor-General's view on whether that community would be protected by the provisions on race in the Bill and, indeed, whether that amendment is necessary. To date, with the exception of one employment tribunal decision that has not been contested and was only decided by Aberdeen tribunal last year, most of the advice has been that the community could not necessarily rely on the 1976 Act.

The community goes back to at least the 12th century in Scotland. It is a very distinct community, with its own language. I hope that no Division will be required on this matter, but given that the community has suffered historic discrimination, I would be grateful to the Solicitor-General if she responded either now or in her closing remarks.

5.45 pm

Mr. Howard: I shall speak to amendment 196 in my name. I draw attention to my entry in the Register of Members' Interests; to the fact, which will be all to obvious to the House, that I am over 50 years old, which is relevant to the remarks that I am about to make; and to my very considerable constituency interest in this matter, in view of the fact that Saga is the biggest employer in my constituency.

I do not want to take up the time of the House unnecessarily. If the Solicitor-General is able to give me now an explicit assurance—I am sure she will have looked at amendment 196—that the provisions in that amendment will be written into the Bill or be covered entirely by secondary legislation, which was what the Government indicated they were minded to do in their consultation paper, I would be happy to sit down now and allow others to use the time that remains.

The Solicitor-General *indicated dissent.*

Mr. Howard: Alas, the Solicitor-General is not prepared to help the House in that way, so I fear I must continue.

Very many of my constituents' jobs depend on the continuing success of Saga. That continuing success is called into question by the provisions of the Bill as it stands. Saga has built its highly successful business on niche marketing and exclusively servicing the needs of people aged 50 and over. Last year it provided a range of services to some 2.7 million people. Its robust and highly popular brand is based on trust, quality, dependability and value for older people. It focuses on understanding and then designing bespoke services to meet the changing needs and demands of its target market of people aged over 50 in the UK, a demographic group consisting of about half the electorate, and forecast to grow from 21 million today to 25 million by 2020. It does not design or market products and services to other age groups.

Saga, of course, welcomes the principles behind the Bill, as do I, and supports the measures to combat unfair discrimination that denies people the ability to live life to the full, but as I say, the Bill as it stands risks negatively affecting its customers' ability to buy the holidays that they want and the financial and other services that they need at a competitive price. Although I refer in these remarks to Saga, I have no doubt that other companies will suffer in a similar fashion if the Bill is not amended or secondary legislation is not introduced.

Saga's insurance business, for example, if forced to offer premiums to all age groups, would become less competitive for the over-50s because they would have to bear the extra costs of quotations for the under-50s. Understanding older savers means that Saga can offer better terms. Its holiday business currently serves only the over-50s, and the popularity and enjoyment of its holidays depends in part on their being exclusive to the over-50s, rather than open to all age groups.

Specialist advice services for long-term care funding and other services such as Saga Independent Living, which offers home care services, provide relevant and targeted training for staff that concentrates on the particular needs of elderly clients, such as special dementia training. It could not offer the service to all age groups without impairing the bespoke and tailored service that it has developed.

Research suggests—I will not go into the details of the research, although I have it available—that people are perfectly happy for there to be special offers and products tailored for particular age groups, such as discounted tickets for cinema or leisure facilities, cheap days at DIY stores, concessionary rates for hairdressing and so on. Indeed, the Government themselves seem to follow those principles. The enhanced individual savings account allowances for older people in the 2009 Budget, and public transport travel concessions such as the national free bus pass and the older person's or younger person's railcard bear witness to the fact that the principle is accepted by Government themselves.

In their Green Paper the Government responded to the points put by Saga in the consultation exercise by setting out three tests for any legislation on age discrimination. They said that

> "it must be a proportionate response to a real problem and not create unnecessary burdens on the private, public or voluntary sectors;
>
> it must not have the unintended consequence of prohibiting positive benefits for either younger or older people, such as youth clubs or clubs for older people, holidays catering for people of particular ages, or concessions and discounts which help younger or older people;"

and

> "it must pass a 'common sense' test."

The Green Paper sensibly and specifically accepted the desirability of niche marketing. It said:

> "There will always be a need for age-specific facilities and services."

Indeed, it said—*[Interruption.]* I am very happy to give way to the Solicitor-General, because she looks as though she is about to rise.

The Solicitor-General: As I listen to the right hon. and learned Gentleman, I find that he is not saying anything that I disagree with at all. The only issue between us is that none of those provisions will go into the Bill. The way forward is either secondary legislation, following on from the consultation that he talked about

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and the relevant basic principles, or guidance. I am happy to write to him in more detail if he wishes, but I do not think that any provision for which he advocates inclusion in the Bill will be missing from the guidance. We think that they are not appropriate for the Bill; they need the flexibility of being in a lower order.

Mr. Howard: I am very grateful to the Solicitor-General for that, but at the outset of my remarks I offered her a choice: put the provision either in the Bill or in secondary legislation. Guidance would not be enough, but secondary legislation certainly would be.

The Solicitor-General: I am sorry—clearly, I was being spoken to by someone else at the same time. I thought the right hon. and learned Gentleman said that if we put the provision in the Bill, that would be sufficient. However, we will not put it in the Bill. We intend, probably, to put it in secondary legislation, but I cannot be absolutely specific and say that it will not be in guidance. None the less, I am sure that we will capture all the benefits to which he refers, because they are exactly the exceptions that we want to make.

Mr. Howard: I am grateful to the Solicitor-General for that, but she must understand that the continued uncertainty causes very great difficulty for businesses as they try to plan ahead. I am prepared to accept the difficulties that might arise from putting what is necessary in the Bill, but I hope that, on consideration, she will be able to give me an explicit assurance that secondary legislation will cover my point. If she can, I shall not utter another word or take up another moment of the House's time this evening.

The Solicitor-General: The objective is the same, but we will not put it in the Bill. As I said, I cannot tell the right hon. and learned Gentleman at the moment whether the character of the business will be secondary legislation or guidance, so he may feel that he has to talk. However, we have met Saga; we understand the problems; and we will produce in January a document that makes the position absolutely clear. That is as much as I can say, but I hope it is enough.

Mr. Howard: Then I must, I am afraid, add a sentence or two. The Solicitor-General says that she understands the problem, but the problem will not be met by guidance. The law in this land is not determined by the Government's guidance; it is determined by legislation, either primary or secondary. We hear this time after time from the Government, but it simply will not do for them to say, "We will deal with this problem by guidance." I have made my point; I hope that the Solicitor-General and the Government will reconsider; and I hope that, if not on Third Reading, then when the legislation goes to another place, they will at least be able to provide an explicit assurance that that point will be covered by secondary legislation.

Rob Marris: I associate my remarks with those of the hon. Member for Oxford, West and Abingdon (Dr. Harris) on caste. Caste-based discrimination is wrong, and if we recognise it as such we should legislate; we should not wait for the evidence. The Government say that they wish to wait for the evidence and have commissioned, or are about to, some research into the extent of caste-based discrimination in the United Kingdom. That discrimination should form a 10th strand under the Bill. I should like the Solicitor-General to assure me if she can that, if the research demonstrates a problem of caste-based discrimination in the United Kingdom, the Government will introduce legislation at an early date to deal with that discrimination, which I and many of my colleagues are convinced exists.

Mr. Deputy Speaker (Sir Alan Haselhurst): I call Miss Ann Widdecombe.

Miss Widdecombe: Thank you very much, Mr. Deputy Speaker. I am almost tempted to say, "Hallelujah!" because I did not think it was going to happen.

Jeremy Corbyn: Don't waste time.

Miss Widdecombe: I will not waste time. I shall speak to amendment 32, standing in my name, and to amendment 31, standing in the name of the hon. Member for Heywood and Middleton (Jim Dobbin), who apologises for not being able to be here today.

I believe it is fundamental to a democratic society that nobody should be obliged to affirm, participate in, make money out of or promote something that is directly contrary to their conscience or to their religious belief. There is no way that the state should ever compel somebody actively to facilitate something that is against their conscience. Other than in the most extraordinary or deeply extreme circumstances—for example, where there are international hostilities and conscription of the populace—a democratic society recognises the right of people to say, "I will not do that because it is against my conscience."

Similarly, a democratic society recognises the right of organisations and groups of people to get together and to set themselves up for the purposes of carrying out something that is based on a community of their belief, which can mean providing services based on that belief. A Catholic adoption agency is set up to place children—sometimes very hard-to-place children—with families, and it is against Catholic teaching, for example, to recognise homosexual unions as equivalent to marriage. By obliging, or attempting to oblige, a Catholic adoption agency to place children with homosexual couples we are effectively suppressing the free practice of religious belief. I have been contacted by a very small Catholic adoption agency which, despite being small, places 10 very hard-to-place children with families each year. Having been in existence for some 40 years, it has placed hundreds of children with families. That agency now says, and we should all be aware of it:

> "The Charity has suspended the recruitment of new prospective adoptive parents to ensure that the Charity is not in breach of the Regulations or in breach of the tenets of the Church. The Charity cannot continue this suspension of service and will be forced to cease to provide Adoption Services."

That charity is not alone. Westminster Children's Society has closed. Catholic Care is going to close. Other societies are trying to fight but are being defeated in the courts. Only in Scotland has one Catholic agency managed to get a ruling from the court that enables it to continue to place children in accordance with the tenets of the Church. The only other survivor at the moment is an evangelical adoption agency in the north-east that is fighting its corner and saying that it will continue to

place children in accordance with the principles that it holds. Of course, Catholic adoption agencies may well supply services to local authorities, but local authorities choose to buy those services; they are not compelled to do so. The adoption agency should therefore not be compelled to go against its tenets. It is not saying, "We want to continue to receive public funding." It is saying, "We want to continue to be able to place children according to the principles that our religion teaches." That is what we are perventing it from doing in law, in Britain, in the 21st century.

A free society should accommodate beliefs and respect the right of minorities to hold those beliefs, set up organisations and live their lives according to those beliefs, particularly when they are based not on rejecting a person for being something but on what they actually do. The agency is refusing to place children with homosexual couples who have formed a union that the Church teaches to be wrong. Similarly, for care homes, the problem is obliging the Church to provide double rooms in which unions may take place that are against Catholic teaching. It is not the individual—

6 pm

Debate interrupted (Programme Order, 11 May 2009).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the clause be read a Second time.

Question agreed to.

New clause 41 accordingly read a Second time, and added to the Bill.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 42

ADJUSTMENTS TO COMMON PARTS IN SCOTLAND

'(1) The Scottish Ministers may by regulations provide that a disabled person is entitled to make relevant adjustments to common parts in relation to premises in Scotland.

(2) The reference in subsection (1) to a disabled person is a reference to a disabled person who—

(a) is a tenant of the premises,

(b) is an owner of the premises, or

(c) is otherwise entitled to occupy the premises,

and uses or intends to use the premises as the person's only or main home.

(3) Before making regulations under subsection (1) the Scottish Ministers must consult a Minister of the Crown.

(4) Regulations under subsection (1) may, in particular—

(a) prescribe things which are, or which are not, to be treated as relevant adjustments;

(b) prescribe circumstances in which the consent of an owner of the common parts is required before a disabled person may make an adjustment;

(c) provide that the consent to adjustments is not to be withheld unreasonably;

(d) prescribe matters to be taken into account, or to be disregarded, in deciding whether it is reasonable to consent to adjustments;

(e) prescribe circumstances in which consent to adjustments is to be taken to be withheld;

(f) make provision about the imposition of conditions on consent to adjustments;

(g) make provision as to circumstances in which the sheriff may make an order authorising a disabled person to carry out adjustments;

(h) make provision about the responsibility for costs arising (directly or indirectly) from an adjustment;

(i) make provision about the reinstatement of the common parts to the condition they were in before an adjustment was made;

(j) make provision about the giving of notice to the owners of the common parts and other persons;

(k) make provision about agreements between a disabled person and an owner of the common parts;

(l) make provision about the registration of information in the Land Register of Scotland or the recording of documents in the Register of Sasines relating to an entitlement of a disabled person or an obligation on an owner of the common parts;

(m) make provision about the effect of such registration or recording;

(n) make provision about who is to be treated as being, or as not being, a person entitled to occupy premises otherwise than as tenant or owner.

(5) In this section—

"common parts" means, in relation to premises, the structure and exterior of, and any common facilities within or used in connection with, the building or part of a building which includes the premises but only in so far as the structure, exterior and common facilities are not solely owned by the owner of the premises;

"relevant adjustments" means, in relation to a disabled person, alterations or additions which are likely to avoid a substantial disadvantage to which the disabled person is put in using the common parts in comparison with persons who are not disabled.'.—*(Lyn Brown.)*

Brought up, and added to the Bill.

New Clause 3

MANDATORY PAY AUDITS

'(1) Within six months of the day on which this Act is passed the Secretary of State shall by regulations require designated employers to conduct a pay audit and to publish information relating to the pay of its employees for the purpose of showing whether there are differences in the pay of male and female employees.

(2) Without prejudice to the generality of subsection (1) regulations made pursuant to subsection (1) shall require designated employers to publish information including—

(a) the average hourly pay of male workers and the average hourly pay of female workers within its employment;

(b) in respect of each role within the organisation—

(i) the average pay awarded to workers engaged in the role;

(ii) the percentage of men and women engaged in that role;

(iii) the gap, if any, between the average hourly pay of male and female employees in that role; and

(iv) the average length of service of men and women engaged in that role; and

(c) information identifying—

(i) any description of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly women;

(ii) any descriptions of activities carried out in the course of employment with the employer by any group of workers who are wholly or mainly men;

(iii) the relative values of the descriptions of activities falling within paragraph (c)(i) and paragraph (c)(ii); and

(iv) in relation to descriptions of activities within subsection (c)(i) and subsection (c)(ii) which are judged to be of equal value to each other, the average hourly pay of male workers and average hourly pay of female workers carrying on those activities.

(3) For the purposes of this section, "pay" means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his employment, from his employer and includes the cost to the employer of—

(a) any pensions contributions paid by the employer in respect of the worker,

(b) any bonus or other performance related or incentive payment, and

(c) any discretionary benefit granted to a worker in connection with his or her employment.

(4) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall specify the process which an employer must follow in conducting a pay audit, the form in which the information must be published, and the degree and means of publicity to be made.

(5) In making regulations pursuant to subsection (1) the Secretary of State shall adopt best practice for promoting awareness of the nature and causes of any pay gap between persons of different genders as set out by the International Labour Organisation from time to time.

(6) The Secretary of State shall consult with the Equality and Human Rights Commission as to how to ensure that the regulations shall reflect best practice prior to the making of the first regulations and no less than every five years thereafter and shall amend the regulations as necessary to ensure that best practice is maintained.

(7) Without prejudice to the generality of subsection (1) regulations made pursuant to that subsection shall provide that where an employer fails to publish information as required by regulations made pursuant to subsection (1) an employer shall not be entitled to submit a material factor defence in accordance with section 66 in relation to any period for which they are in breach of their obligations under those regulations.

(8) Where the information published by an employer reveals that there is a difference in the average pay of men and women doing relevant types of work as set out in section 61, then in any proceedings to enforce a sex equality rule or sex equality clause it shall be presumed that there is such a breach unless the employer can show a material factor defence.

(9) Regulations made pursuant to subsection (1) may make provision for a failure to comply with the regulations—

(a) to be an offence punishable on summary conviction by a fine not exceeding level 5 on the standard scale;

(b) to be enforced, otherwise than as an offence, by such means as is prescribed.

(10) The reference to a failure to comply with the regulations includes a reference to a failure by a person acting on behalf of an employer.

(11) Regulations made pursuant to subsection (1) shall provide that an employer must conduct a pay audit and publish information relating to the pay of its employees within six months of the coming into force of the regulations.

(12) Regulations made pursuant to subsection (1) shall provide that where an employer (A) is able to determine the terms and conditions of employment as between another employer (B) and its employees, A shall publish the information that B would otherwise be required to publish in a way which is consolidated with the information for all other employees of A whose terms and conditions A may determine, and where A publishes consolidated information B shall not be in breach of those regulations if it does not publish any information.

(13) A designated employer means an employer who has more than 100 employees.

(14) Regulations made pursuant to subsection (1) shall require designated employers publishing information in relation to the average hourly pay of employees to specify how much of the hourly rate constitutes ordinary basic or minimum wage or salary and how much, if any, constitutes other consideration and to specify the types and amounts of any such other consideration.'.—*(Lynne Featherstone.)*

Brought up.

Question put, That the clause be added to the Bill:—

The House divided: Ayes 77, Noes 427.

Division No. 10] **[6.1 pm**

AYES

Abbott, Ms Diane
Alexander, Danny
Baker, Norman
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clark, Ms Katy
Clegg, rh Mr. Nick
Cook, Frank
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Drew, Mr. David
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hosie, Stewart
Howarth, David
Huhne, Chris
Jones, Lynne
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
Mason, John
McDonnell, John
Mitchell, Mr. Austin
Moore, Mr. Michael
Mulholland, Greg
Pelling, Mr. Andrew
Plaskitt, Mr. James
Price, Adam
Prosser, Gwyn
Pugh, Dr. John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Sharma, Mr. Virendra
Simpson, Alan
Smith, Geraldine
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Waraing, Mr. Robert N.
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Alan Reid and Dan Rogerson

NOES

Afriyie, Adam
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benyon, Mr. Richard
Beresford, Sir Paul

Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Greg
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Conway, Derek
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorries, Nadine
Dowd, Jim
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Heathcoat-Amory, rh Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hollobone, Mr. Philip
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, rh Jim
Kumar, Dr. Ashok
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Levitt, Tom
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
Otner, Mr. Bill
Osborne, Mr. George
Osborne, Sandra
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pisklitt, Mr. James

Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Redwood, rh Mr. John
Reed, Mr. Andy
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Shaw, Jonathan
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vara, Mr. Shailesh
Vaz, rh Keith
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mark Tami and Kerry McCarthy

Question accordingly negatived.

Clause 1

PUBLIC SECTOR DUTY REGARDING SOCIO-ECONOMIC INEQUALITIES

Amendment made: 139, page 2, line 30, leave out subsection (6).—*(Vera Baird.)*

Clause 2

POWER TO AMEND SECTION 1

Amendments made: 140, page 3, line 5, leave out from 'The' to first 'authority' in line 15 and insert

'Scottish Ministers or the Welsh Ministers may by regulations amend section 1—

(a) to add a relevant authority to the authorities that are subject to the duty under subsection (1) of that section;

(b) to remove a relevant authority from those that are subject to the duty;

(c) to make the duty apply, in the case of a particular relevant authority, only in relation to certain functions that it has;

(d) in the case of a relevant authority to which the application of the duty is already restricted to certain functions, to remove or alter the restriction.

(4A) For the purposes of the power conferred by subsection (4) on the Scottish Ministers, "relevant authority" means an authority whose functions—

(a) are exercisable only in or as regards Scotland,

(b) are wholly or mainly devolved Scottish functions, and

(c) correspond or are similar to those of an authority for the time being specified in section 1(3).

(4B) For the purposes of the power conferred by subsection (4) on the Welsh Ministers, "relevant".

141, page 3, line 22, leave out subsection (6) and insert—

'(6) Before making regulations under this section, the Scottish Ministers or the Welsh Ministers must consult a Minister of the Crown.'.

142, page 3, line 26, at end insert—

'(7A) Provision made by the Scottish Ministers or the Welsh Ministers in reliance on subsection (7) may, in particular, amend section 1—

(a) to confer on the Ministers a power to issue guidance;

(b) to require a relevant authority to take into account any guidance issued under a power conferred by virtue of paragraph (a);

(c) to disapply section 1(2) in consequence of the imposition of a requirement by virtue of paragraph (b).

(7B) Before issuing guidance under a power conferred by virtue of subsection (7A)(a), the Ministers must—

(a) take into account any guidance issued by a Minister of the Crown under section 1;

(b) consult a Minister of the Crown.'.—*(Vera Baird.)*

Clause 13

DIRECT DISCRIMINATION

Amendments made: 143, page 6, line 36, leave out from 'disability,' to end of line 2 on page 7 and insert

'and B is not a disabled person, A does not discriminate against B only because A treats or would treat disabled persons more favourably than A treats B.'.

Amendment 144, page 7, line 8, leave out subsection (6).—*(Vera Baird.)*

Clause 14

COMBINED DISCRIMINATION: DUAL CHARACTERISTICS

Amendment made: 145, page 7, line 30, leave out subsections (3) to (9) and insert—

'( ) For the purposes of establishing a contravention of this Act by virtue of subsection (1), B need not show that A's treatment of B is direct discrimination because of each of the characteristics in the combination (taken separately).

( ) But B cannot establish a contravention of this Act by virtue of subsection (1) if, in reliance on another provision of this Act or any other enactment, A shows that A's treatment of B is not direct discrimination because of either or both of the characteristics in the combination.

( ) Subsection (1) does not apply to a combination of characteristics that includes disability in circumstances where, if a claim of direct discrimination because of disability were to be brought, it would come within section 112 (special educational needs).

( ) A Minister of the Crown may by order amend this section so as to—

(a) make further provision about circumstances in which B can, or in which B cannot, establish a contravention of this Act by virtue of subsection (1);

(b) specify other circumstances in which subsection (1) does not apply.

( ) The references to direct discrimination are to a contravention of this Act by virtue of section 13.'.—*(Vera Baird.)*

Clause 15

DISCRIMINATION ARISING FROM DISABILITY

Amendments made: 146, page 8, line 15, leave out from 'B' to ', and' in line 16 and insert

'unfavourably because of something arising in consequence of B's disability'.

Amendment 147, page 8, line 21, leave out subsection (3).—*(Vera Baird.)*

Clause 21

FAILURE TO COMPLY WITH DUTY

Amendment made: 148, page 11, line 29, leave out 'otherwise actionable' and insert

'actionable by virtue of another provision of this Act or otherwise'.—*(Vera Baird.)*

Clause 23

COMPARISON BY REFERENCE TO CIRCUMSTANCES

Amendments made: 149, page 12, line 12, after '13,' insert '14,'.

Amendment 150, page 12, line 12, leave out '19 or 20' and insert 'or 19'.

Amendment 151, page 12, line 14, leave out subsection (2) and insert—

'( ) The circumstances relating to a case include a person's abilities if—

(a) on a comparison for the purposes of section 13, the protected characteristic is disability;

(b) on a comparison for the purposes of section 14, one of the protected characteristics in the combination is disability.'.—*(Vera Baird.)*

Clause 25

HARASSMENT

Amendments made: 152, page 13, line 21, leave out from 'characteristic' to end of line 31 and insert ', and

(b) the conduct has the purpose or effect of—

(i) violating B's dignity, or

(ii) creating an intimidating, hostile, degrading, humiliating or offensive environment for B.

(2) A also harasses B if—

(a) A engages in unwanted conduct of a sexual nature, and

(b) the conduct has the purpose or effect referred to in subsection (1)(b).

(3) A also harasses B if—

(a) A or another person engages in unwanted conduct of a sexual nature or that is related to gender reassignment or sex,

(b) the conduct has the purpose or effect referred to in subsection (1)(b), and

(c) because of B's rejection of or submission to the conduct, A treats B less favourably than A would treat B if B had not rejected or submitted to the conduct.'.

Amendment 153, page 13, line 32, leave out 'that effect' and insert

'the effect referred to in subsection (1)(b)'.

Amendment 154, page 13, line 37, leave out subsection (4).—*(Vera Baird.)*

Clause 29

SHIPS AND HOVERCRAFT

Amendments made: 155, page 16, line 3, leave out 'except section 28(6)' and insert 'subject to subsection (2)'.

Amendment 156, page 16, line 7, leave out subsection (2) and insert—

'(2) Section 28(6) applies in relation to the matters referred to in paragraphs (a) and (b) of subsection (1); but in so far as it relates to disability discrimination, section 28(6) applies to those matters only in such circumstances as are prescribed.'.—*(Vera Baird.)*

Clause 35

LEASEHOLD AND COMMONHOLD PREMISES AND COMMON PARTS

Amendments made: 157, page 19, line 29, leave out paragraph (b).

Amendment 158, page 19, line 32, leave out 'of a tenement'.

Amendment 159, page 19, line 36, leave out 'of a tenement'.

Amendment 160, page 19, line 42, leave out paragraph (c).—*(Vera Baird.)*

Clause 36

INTERPRETATION AND EXCEPTIONS

Amendment made: 161, page 20, line 31, leave out subsection (8).—*(Vera Baird.)*

Clause 37

EMPLOYEES AND APPLICANTS

Amendment made: 162, page 21, line 38, after '13', insert ', 14'.—*(Vera Baird.)*

Clause 47

PERSONAL OFFICES: APPOINTMENTS, ETC.

Amendment made: 163, page 30, line 12, after '13', insert ', 14'.—*(Vera Baird.)*

Clause 48

PUBLIC OFFICES: APPOINTMENTS, ETC.

Amendment made: 164, page 31, line 40, after '13', insert ', 14'.—*(Vera Baird.)*

Clause 68

SEX DISCRIMINATION IN RELATION TO CONTRACTUAL PAY

Amendment made: 165, page 44, line 9, after '13', insert 'or 14'.—*(Vera Baird.)*

Clause 103

INTERPRETATION AND EXCEPTIONS

Amendment made: 166, page 64, line 34, leave out from 'description' to '; and' in line 35.—*(Vera Baird.)*

Clause 115

REMEDIES

Amendment made: 167, page 72, line 7, leave out subsection (5) and insert—

'(5) Subsection (5A) applies if the county court or sheriff—

(a) finds that a contravention of a provision referred to in section 110(1) is established by virtue of section 19, but

(b) is satisfied that the provision, criterion or practice was not applied with the intention of discriminating against the claimant or pursuer.

(5A) The county court or sheriff must not make an award of damages unless it first considers whether to make any other disposal.'.—*(Vera Baird.)*

Clause 143

MEANING OF "QUALIFYING COMPROMISE CONTRACT"

Amendments made: 168, page 89, line 21, at end insert—

'( ) the contract relates to the particular complaint,'.

Amendment 169, page 90, line 30, leave out subsection (10).—*(Vera Baird.)*

Clause 155

POSITIVE ACTION: RECRUITMENT AND PROMOTION

Amendment proposed: 18, in page 98, line 7, leave out 'as qualified as' and insert 'equally qualified to'.—*(John Penrose.)*

Question put, That the amendment be made.

The House divided: Ayes 160, Noes 354.

Division No. 11] **[6.17 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Curry, rh Mr. David
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Swayne, Mr. Desmond
Syms, Mr. Robert
Timpson, Mr. Edward
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive

Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Huhne, Chris
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard

Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mark Tami and
Kerry McCarthy

Question accordingly negatived.

Clause 164

ASSISTANCE DOGS IN TAXIS: EXEMPTION CERTIFICATES

Amendment made: 170, page 104, line 17, leave out from 'applies,' to end of line 18 and insert 'Transport for London'.—*(Vera Baird.)*

Clause 188

CHARITIES

Amendment made: 171, page 116, line 14, after 'belief', insert

'; and for this purpose restricting the access by members to a benefit, facility or service to those who make such a statement is to be treated as imposing such a requirement'.—*(Vera Baird.)*

Clause 189

CHARITIES: SUPPLEMENTARY

Amendment made: 172, page 117, line 1, at end insert—

'( ) Section 103(5) applies to references in subsection (5) of section 188 to members, or persons wishing to become members, of a charity.'.—*(Vera Baird.)*

Clause 192

AGE

Amendment made: 173, page 118, line 2, at end insert—

'(2A) An order under this section may—

(a) confer on a Minister of the Crown or the Treasury a power to issue guidance about the operation of the order (including, in particular, guidance about the steps that may be taken by persons wishing to rely on an exception provided for by the order);

(b) require the Minister or the Treasury to carry out consultation before issuing guidance under a power conferred by virtue of paragraph (a);

(c) make provision (including provision to impose a requirement) that refers to guidance issued under a power conferred by virtue of paragraph (a).

(2B) Guidance given by a Minister of the Crown or the Treasury in anticipation of the making of an order under this section is, on the making of the order, to be treated as if it has been issued in accordance with the order.

(2C) For the purposes of satisfying a requirement imposed by virtue of subsection (2A)(b), the Minister or the Treasury may rely on consultation carried out before the making of the order that imposes the requirement (including consultation carried out before the commencement of this section).

(2D) Provision by virtue of subsection (2A)(c) may, in particular, refer to provisions of the guidance that themselves refer to a document specified in the guidance.'.—*(Vera Baird.)*

Clause 196

EXERCISE OF POWER

Amendments made: 174, page 120, line 14 , after 'section', insert '[Adjustments to common parts in Scotland],'.

Amendment 175, page 120, line 17, after '192', insert 'or 205'.

Amendment 176, page 120, line 17, at end insert—

'( ) In the case of section 205, provision by virtue of subsection (4)(b) may be included in a separate order from the order that provides for the commencement to which the provision relates; and, for that purpose, it does not matter—

(a) whether the order providing for the commencement includes provision by virtue of subsection (4)(b);

(b) whether the commencement has taken place.'.—*(Vera Baird.)*

Clause 197

MINISTERS OF THE CROWN

Amendment made: 177, page 120, line 37, leave out paragraph (a).—*(Vera Baird.)*

Clause 199

THE SCOTTISH MINISTERS

Amendment made: 178, page 122, line 1, at end insert—

'( ) regulations under section [Adjustments to common parts in Scotland] (power to make provision about adjustments to common parts in Scotland);'.—*(Vera Baird.)*

Schedule 3

SERVICES AND PUBLIC FUNCTIONS: EXCEPTIONS

Amendment made: 179, page 138, line 8, at end insert—

'Services arranged by employer

(4) Section 28 does not apply to the provision of a relevant financial service if the provision is in pursuance of arrangements made by an employer for the service-provider to provide the service to the employer's employees, and other persons, as a consequence of the employment.

(5) "Relevant financial service" means—

(a) insurance or a related financial service, or

(b) a service relating to membership of or benefits under a personal pension scheme (within the meaning given by section 1 of the Pension Schemes Act 1993).

(6) "Service-provider" has the meaning given in section 28.'.—*(Vera Baird.)*

Schedule 4

PREMISES: REASONABLE ADJUSTMENTS

Amendments made: 180, page 145, line 32 , leave out 'or, in Scotland, an owner of the premises'.

Amendment 181, page 146, line 1, leave out from beginning to 'all' in line 3.

Amendment 182, page 147, line 5, leave out 'or, in Scotland, the owner of the premises'.—*(Vera Baird.)*

Schedule 9

WORK: EXCEPTIONS

Amendment proposed: 37, page 162, line 13, leave out sub-paragraph (8).—*(Mr. Drew.)*

Question put, That the amendment be made:

The House divided: Ayes 170, Noes 314.

Division No. 12] **[6.30 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Battle, rh John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cook, Frank
Cormack, Sir Patrick
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kelly, rh Ruth
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shepherd, Mr. Richard
Simmonds, Mark
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, David
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew

Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Huhne, Chris
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Reed, Mr. Andy
Reed, Mr. Jamie
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mark Tami and
Kerry McCarthy

Question accordingly negatived.

Schedule 10

ACCESSIBILITY FOR DISABLED PUPILS

Amendment made: 183, page 172, line 10, at end insert—

'(6A) A direction may not, unless sub-paragraph (6B) applies, be given to the responsible body of a school in England in respect of a matter—

(a) that has been complained about to a Local Commissioner in accordance with Chapter 2 of Part 10 of the Apprenticeships, Skills, Children and Learning Act 2009 (parental complaints against governing bodies etc.), or

(b) that the appropriate authority thinks could have been so complained about.

(6B) This sub-paragraph applies if—

(a) the Local Commissioner has made a recommendation to the responsible body under section 211(4) of the Apprenticeships, Skills, Children and Learning Act 2009 (statement following investigation) in respect of the matter, and

(b) the responsible body has not complied with the recommendation.'.—*(Vera Baird.)*

Schedule 18

PUBLIC SECTOR EQUALITY DUTY: EXCEPTIONS

Amendments made: 184, page 192, line 23, at end insert—

'( ) the provision of accommodation, benefits, facilities or services in residential establishments pursuant to section 26(1)(b) of the Children (Scotland) Act 1995.'.

185, page 192, line 29, after 'belief', insert

'; but for that purpose "race" means race so far as relating to—

(a) nationality, or

(b) ethnic or national origins.'.—*(Vera Baird.)*

Schedule 22

STATUTORY PROVISIONS

Amendment made: 186, page 208, line 27, in the first column leave out ', 4, 6 and' and insert 'to'.—*(Vera Baird.)*

John McDonnell: On a point of order, Mr. Deputy Speaker. May I use this point of order to place on the record for those who have been involved in the campaign to obtain decent wages for seafarers and to tackle poverty pay on British ships how disappointed a large number of Members are that we were denied the opportunity today even to vote on the matter, despite a lengthy debate? I think it is a disgrace to the House, and it undermines the whole concept of, and belief in, democracy in this country that we cannot address such a crucial issue as the poverty pay of seafarers in this country.

Mr. Deputy Speaker: The hon. Gentleman has put that on the record. He knows that it is not a point of order. It is dangerously near a criticism of the Chair for the selection responsibilities that we have. I ask him to consider that.

Miss Widdecombe: On a point of order, Mr. Deputy Speaker. I certainly would never criticise the Chair, but I think it is rather different to ask a question about the timetabling, which today has meant that three groups of amendments were not even reached, that other important amendments could not be discussed at length and that there simply was no time to vote on others. I would be grateful if Mr. Speaker could talk to Ministers about this—if such a thing ever happens.

Mr. Deputy Speaker: The right hon. Lady must know that she cannot plot Mr. Speaker's course on these matters. She must know that a programme motion was agreed by the House. *[Interruption.]* Order. It would not be the first occasion on which the House has felt a little frustrated that there has been insufficient time.

Dr. Evan Harris: On a point of order, Mr. Deputy Speaker. Can anything be done in situations such as this, where not three but five groups of amendments have not been reached? They contain Government new clauses and amendments that have never been scrutinised by this House as well as tens—scores, in fact—of amendments tabled by hon. Members. Is there nothing that we can do, even at this late stage, to ensure that we get a chance at least to divide on some of these important issues?

Mr. Deputy Speaker: The hon. Gentleman made that point earlier, if not in exactly the same words then in very similar words, and Mr. Speaker was obliged to rule that the answer is no. I think that the hon. Gentleman is aware of the constraints that apply.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On a point of order, Mr. Deputy Speaker. You will doubtless know that the noble Lord Rooker has suggested that when such an occasion arises in this House, a certificate should be sent to the other place identifying those parts of a Bill that have not been properly debated or even debated at all. It would be within the discretion of Mr. Speaker to issue such a certificate in respect of the clauses that have been the subject of discussion in the points of order.

Mr. Deputy Speaker: The noble Lord Rooker is no longer here to argue his point. I am sure that Mr. Speaker will have noted the right hon. and learned Gentleman's observation.

Third Reading

6.45 pm

The Solicitor-General: I beg to move, That the Bill be now read the Third time.

I am pleased with the scrutiny and attention that hon. Members have given this important Bill. It has been considered for a considerable period in Committee and it has been improved in significant ways as a result of its passage through the House, including in the addition of protection against dual discrimination, the extension of the socio-economic duty to Scotland, the limits on questions about disability that can be asked by employers when recruiting, and clarification of the pregnancy and maternity provisions. It can be further improved if the research that we have commissioned from the Equality Commission on caste can, as we have asked, be completed quickly so that if there is need, we can ban caste discrimination through measures in the other place.

The Government have a proud history of equalities legislation. When this Bill's predecessor, the Equality Act 2006, was going through Parliament, there were a number of calls for a new equality Bill. This Bill answers those calls. It sets out groundbreaking new laws that will help narrow the gap between rich and poor, place equality at the heart of what public bodies do, require transparency and therefore action to tackle the gender pay gap and outlaw age discrimination outside the workplace. In all those ways it will significantly strengthen Britain's equality legislation, which for the first time is brought together coherently in one place. It is what we have described as a "plain English Bill"—that is to say that the final version will have the legal clauses on one side of the page and explanatory notes on the other to optimise accessibility.

Ms Katy Clark: I welcome everything that my hon. and learned Friend has said. She will recall that I raised an issue to do with the Scottish Gypsy Traveller community earlier. Is she in a position to come back to me on the question of whether she believes that they are covered under the legislation by the category of race?

The Solicitor-General: My understanding is that there is already a case about that, although at first instance I have not had an opportunity to consider it in sufficient

[The Solicitor-General]

depth to answer my hon. Friend's question. I shall certainly write to her and I commend her for raising the issue.

Equality and fairness are the hallmarks of a modern and confident society. When we talk about equality, it is easy to lose sight of the fact that we are talking about something that affects and impacts on real people. What we actually mean when we talk about equality is fairness—the principle that everyone has the right to be treated fairly and to have the opportunity to fulfil their potential. The Bill moves that agenda on considerably and I commend it to the House.

6.48 pm

Mrs. Theresa May (Maidenhead) (Con): I want to thank all hon. Members who have taken part in scrutinising this Bill at each of its stages. A Bill of this length and complexity places a particular burden on those who sit on the Committee, and I particularly commend my hon. Friends the Members for Forest of Dean (Mr. Harper) and for Weston-super-Mare (John Penrose) for the sterling work that they did in Committee. I believe that they have been able to achieve some improvements to the Bill.

It has taken us a long time to reach this point. It is therefore all the more disappointing that the Leader of the House did not respond to the request from my hon. Friend the Member for Forest of Dean that more time should be given on Report, given the large number of amendments and new clauses tabled by hon. Members from both sides of the House and by the Government.

Mr. Peter Bone (Wellingborough) (Con): Will my right hon. Friend advise the Opposition? Given that we have not had time properly to scrutinise the Bill, is not the only option for some Members to vote against it on Third Reading?

Mrs. May: I note my hon. Friend's concern about the lack of time allowed to debate certain aspects of the Bill, but I am sure that Members of another place will be taking particular note of those aspects of the Bill that have not been properly debated and scrutinised in this House. It would not be appropriate to vote against the Bill purely on that procedural point. There are aspects of it with which I do not agree, although I do agree with a lot of it.

Sir Nicholas Winterton (Macclesfield) (Con): I agree with much of what my right hon. Friend has just said. Does she agree that much of what has happened in this House has highlighted the importance of the other place and the fact that it is not subject to programme motions?

Mrs. May: Indeed. I note that point, and I am sure that it will also be noted by those in the other place who will scrutinise the Bill. My hon. Friend has raised concerns about programme motions on many occasions and has put his point most forcefully. It is a pity that the Government have not listened to it on this occasion and a number of others. We have always been clear about the need for a single Equality Bill to bring together and streamline the various pieces of equality legislation. Given that there are currently [illegible] pieces of primary legislation, more than 100 regulations and more than 2,500 pages of guidance and codes of practice, there is a clear need for simplification and streamlining. We certainly support that aspect of the Bill, which makes up the majority of it. I know that many practitioners and businesses out there will strongly welcome the streamlining of equalities legislation into a single piece of legislation.

Rob Marris: I, too, very much welcome the Bill, but will the right hon. Lady explain why she and her party voted against it on Second Reading?

Mrs. May: The hon. Gentleman needs to check his facts. We put down a reasoned amendment on Second Reading—*[Interruption.]* The Leader of the House is chuntering from the Treasury Bench; had she given more time to debate the Bill, she could have chuntered from the Dispatch Box as well. As I was saying to the hon. Gentleman, we put down a reasoned amendment, and I am about to identify the aspects of the Bill on which we still disagree with the Government.

We support the streamlining of legislation, but we are not able to support several areas of the Bill. The socio-economic duty is indicative of the Government's failure to tackle issues of inequality and poverty as well as their causes. As we approach the end of this Parliament, it is clear that the Government have run out of ideas. I wish that passing a law to tell people that they are entitled to a better life would actually deliver that, but it will not. We want the Government to tackle the issues that cause inequality, but their failure to take the decisions necessary to improve educational outcomes, tackle worklessness and reduce family breakdown, all of which are key causes and drivers of inequality and poverty, mean that they are now resorting to this posturing with pointless targets.

In Committee, we pressed the Government on a number of issues, one of which was positive action in recruitment, and some discrepancy seems to have emerged between the understanding of the Leader of the House and that of the Solicitor-General about what the Bill should do on that issue. On Second Reading, the Leader of the House said that positive action would be allowed in cases where there were "two equally qualified candidates", but the Solicitor-General confirmed in Committee that the legislation would be "far broader" than that. We have consistently supported positive action on the basis that it could be used as a tiebreaker when there are two equally qualified candidates. It is a shame that the Government appear to have gone beyond that, and we hope to return to this issue in the other place.

The Solicitor-General mentioned pre-employment questionnaires. I recognise that the Government have taken the concerns about them seriously, but I still feel that they have not gone far enough. For people with disabilities or longer-term health issues, and especially those who suffer from health conditions, the issue remains of concern. The Royal College of Psychiatrists has said that people with mental health problems face serious discrimination in the employment process, particularly from the attitude of employers. We need to make sure that there is a level playing field for people with health issues, and in general we do not believe that details of an illness or disability should be required to be revealed until after a job offer has been made. As I said, I

recognise that the Government have taken on board some of the concerns in this area, but we will want to return to the matter again.

The Solicitor-General: I shall not detain the Chamber, but the clause that we have put forward now is stronger than the one proposed by the Opposition. It offers a solution, whereas theirs merely declares things to be unlawful and offers no remedy. Ours is the stronger measure but, apart from that, I honestly believe that the right hon. Lady is making a fuss about nothing and that there is not a cigarette paper between us.

Mrs. May: I have to tell the hon. and learned Lady that it was only after we had pressed them on this point that the Government were willing to make any movement. There is still concern about the matter outside this House. I am sure that the other place will want to return to it, and there are also problems with the regulations on age-related discrimination.

Equality is not just for the good times. We all want to ensure that equality and fairness drive what we do, but we must recognise that equality has been given a bad name in recent years, with many people thinking that it is something given to others and not to them.

We are clear that equality should never be the enemy of common sense. It should not get in the way of businesses, communities or the public sector, but instead it should help them to work better. That is the approach that we have taken, and it is the one that we will continue to take.

6.57 pm

Lynne Featherstone: I thank colleagues on both sides of the House for their contributions in Committee and on Report. There have been some very intelligent and long discussions about the Bill, with huge consensus evident across the House. I should also like to thank all the Officers and Clerks of the House who have helped us, and me especially, as we have worked our way through the Bill.

My party welcomes the Bill and the way that it brings all sorts of legislation together. We oppose the Government on almost nothing in it, but believe that it should have gone further. I have great concerns that the things that were not included in the Bill, or in respect of which the Bill does not go far enough, will not see the light of day if there is a change of Government.

I welcome the introduction of measures covering age discrimination in the provision of goods and services, but fear that delaying them for six months could mean that they will not come into force. In addition, I am disappointed that the blanket ban on gay men giving blood was not examined further, but I am very relieved that the Solicitor-General said that the question of caste should be looked at again in the other place.

I am very disappointed that children will continue to face harassment in school if homophobic bullying does not receive the same coverage that other discriminations receive. In respect of people whose gender identity is not clear, I have never felt that the Government have properly understood the difference between gender reassignment and gender identity.

I hugely welcome this Bill but, for the reasons that I have set out, I hope that it will be taken further and that matters that we have not succeeded in getting debated will receive proper consideration. Along with colleagues across the House, I deplore the lack of time made available for discussion, as it has meant that we have not been able to debate many important and serious issues. That abdication of responsibility to democracy makes a farce of any commitment to a different type of politics.

6.58 pm

Keith Vaz (Leicester, East) (Lab): Although there are obvious differences between those on the different party Front Benches, the comments of both the right hon. Member for Maidenhead (Mrs. May) and the hon. Member for Hornsey and Wood Green (Lynne Featherstone) have made it clear that their parties have an absolute commitment to equality.

I just want to place on record my appreciation for the work done by the Leader of the House in propelling this Bill from a draft to the stage that it has reached now. She has been a true champion of equality, and this is a great legacy for her.

6.59 pm

Mark Pritchard (The Wrekin) (Con): Some of us have concerns about supporting the Bill on Third Reading, not because of many of its elements, which I support—my record on equal rights is on the public record—but because of the lack of time to discuss such important issues. For that very reason, I feel that I will perhaps not be able to support the Bill on Third Reading. It is an absolute disgrace that an issue of such importance has been given so little time.

6.59 pm

John Mason: We certainly support the Bill. We believe that everyone is of equal value. It is disappointing that there was not a purpose clause. We spent too much time on the letter of the law—

7 pm

Debate interrupted (Programme Order, 11 May 2009)

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E).

That the Bill be now read the Third time.

The House divided: Ayes 338, Noes 8.

Division No. 13] **[7 pm**

AYES

Abbott, Ms Diane	Beckett, rh Margaret
Ainsworth, rh Mr. Bob	Begg, Miss Anne
Alexander, Danny	Benn, rh Hilary
Alexander, rh Mr. Douglas	Berry, Roger
Allen, Mr. Graham	Betts, Mr. Clive
Anderson, Mr. David	Blackman, Liz
Anderson, Janet	Blackman-Woods, Dr. Roberta
Atkins, Charlotte	Blears, rh Hazel
Austin, Mr. Ian	Borrow, Mr. David S.
Bailey, Mr. Adrian	Bradshaw, rh Mr. Ben
Bain, Mr. William	Brake, Tom
Baird, Vera	Brennan, Kevin
Baker, Norman	Brooke, Annette
Balls, rh Ed	Brown, Lyn
Banks, Gordon	Brown, rh Mr. Nicholas
Barlow, Ms Celia	Brown, Mr. Russell
Barron, rh Mr. Kevin	Browne, rh Des
Bayley, Hugh	Browne, Mr. Jeremy

Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hodge, rh Margaret
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Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hulme, Chris
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Leston, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Walley, Joan
Wareing, Mr. Robert N.
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel

Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Helen Jones and
Kerry McCarthy

NOES

Davies, Mr. Dai
Davies, Philip
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Pritchard, Mark
Widdecombe, rh Miss Ann
Wilson, Sammy
Winterton, Sir Nicholas

Tellers for the Noes:
Mr. Peter Bone and
Mr. Philip Hollobone

Question accordingly agreed to.

Bill read the Third time and passed.

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Ms Harriet Harman relating to Independent Parliamentary Standards Authority.—*(Mr. Frank Roy.)*

Question agreed to.

Independent Parliamentary Standards Authority

Mr. Deputy Speaker (Sir Alan Haselhurst): We now come to motion 2. Mr. Speaker has selected the amendment in the name of Mr. Christopher Chope, to be moved in an amended form. The effect of the amendment will now be to remove the name of Jackie Ballard and not to replace it with any other name.

7.12 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I beg to move,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Professor Sir Ian Kennedy to the office of Chair of the Independent Parliamentary Standards Authority, and the Rt. Hon. Lord Justice Scott Baker, Jackie Ballard, Ken Olisa and Professor Isobel Sharp to the office of ordinary member of the Independent Parliamentary Standards Authority.

The Parliamentary Standards Act 2009 sets out the procedure for appointing the chair and members of the Independent Parliamentary Standards Authority. The 2009 Act stipulates that the Independent Parliamentary Standards Authority will consist of five members, including the chair. Of the remaining four members, one must have held high judicial office, one must be a qualified auditor and one must be a former Member of this House. The candidates for those posts are selected by Mr. Speaker. The Act specifies that selection must be on merit and on the basis of free and open competition.

The Act specifies that the successful candidates must then be approved by the Speaker's Committee for the Independent Parliamentary Standards Authority before being proposed to the House. That has now happened and the motion gives effect to those decisions.

On 4 November, Mr. Speaker announced to the House that Professor Sir Ian Kennedy had taken the role of chair-designate. Hon. Members will have seen the names of the four people selected by Mr. Speaker as the ordinary members of the Independent Parliamentary Standards Authority. They are the right hon. Lord Justice Scott Baker, as a former holder of high judicial office; Professor Isobel Sharp, as a National Audit Office-qualified auditor; Jackie Ballard, as a former Member of the House of Commons, having been the Member for Taunton from 1997 to 2001; and Ken Olisa, who is a businessman.

I am pleased to see that the proposed members are a diverse and representative group of people. Their biographies were published on the website of the implementation team for the Independent Parliamentary Standards Authority when their selections were announced. The nominees have been chosen by an independent panel on merit and under fair and open competition, based on the qualifications and experience deemed necessary for the roles.

I am confident that the statutory nature of the authority and the processes used to appoint the chair and members will give the public the confidence that there is independent, external regulation of the system of Members' allowances.

Mr. Peter Bone (Wellingborough) (Con): Is the Deputy Leader of the House at all surprised that the ex-Member of Parliament chosen served for only such a short time in the House?

Barbara Keeley: As I have indicated, this was an external recruitment process. There was a panel, and the nomination process was as I described. I have no further comment other than to say what I have already said.

Hon. Members can be confident that the authority has the appropriate skills to take decisions based on a clear understanding of the requirement for transparency and the need for audit in all their work with Members. The establishment of the Independent Parliamentary Standards Authority is an important step in restoring the public's confidence in Parliament. The authority must now be allowed to get on with its work of drawing up a new allowances scheme. The leaders of all major parties have indicated their desire to move quickly on this, and I hope that right hon. and hon. Members will give the motion unanimous support tonight. I commend the motion to the House.

7.16 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Today's debate takes us a little closer to the light at the end of the tunnel on the expenses issue, which has so dominated the political headlines and the political agenda in recent months. As we all know, public trust in Parliament is at an all-time low. As part of the process of regaining public confidence, we need to set in place an independent and transparent framework to deal with the implementation and monitoring of MPs' allowances—a system that will command confidence from the public, but also allow MPs to get on with the job of properly representing their constituents, as well as fulfilling their parliamentary duties.

The Independent Parliamentary Standards Authority has already been established. Today's debate, however, appoints to the authority's board the key people who will drive through the reforms. As we have heard, all the candidates were selected by open competition based on merit. The selections were carried out by an independent panel in which no Member of Parliament was involved. The Parliamentary Standards Act 2009 stipulates that as well as the chairman, there must be four ordinary members, of whom at least one must have held high judicial office, one must be a qualified auditor, and one must be a former Member of Parliament.

Professor Sir Ian Kennedy is eminently qualified to serve as the board's chairman. He is an academic of international renown, and as chairman of the Healthcare Commission his leadership skills shone through. Equally important is the fact that he was not afraid to show his independence of thought. That independent nature is pivotal in reassuring the public of impartiality in monitoring and implementing the new allowances regime.

The appointment to the board of Lord Justice Scott Baker will bring to the authority one of Britain's finest legal minds. He brings a wealth of experience, and he is no stranger to high-profile issues, having previously sat as a coroner for the inquests into the deaths of Diana, Princess of Wales and Dodi Fayed. Given that the old system lacked proper audit and assurance practices in line with modern standards, the appointment of Professor Isobel Sharp is to be welcomed. Her experience in accounting and auditing will bring substance, as well as robustness, to the new process. The new system will have to be open and transparent, and for that to be so, technology will play a vital role. So the appointment of Ken Olisa, a businessman whose career has focused on the technology sector, will have much significance. Finally, there is the requirement for a former Member of Parliament, and that role will be undertaken by Jackie Ballard, the former Lib Dem MP.

The process of selection has been a lengthy one, and for that I would like to thank the panel that recruited Sir Ian and the others, which was chaired by Felicity Huston, the Commissioner for Public Appointments for Northern Ireland. Thanks are also due to the Speaker of the House and to all those who served on the Speaker's Committee that subsequently considered all the appointees before their names were presented to us today.

As regards the amendment that Mr. Speaker has selected, the House will of course wish to hear from those who propose it, and then Members can decide accordingly.

Sir Ian, as chairman-designate, has already started work with his implementation team to turn Sir Christopher Kelly's proposals into reality. Today's appointments are critical to that process. Sir Ian has said that he hopes the final scheme will be in place by early next spring, and I very much hope that that deadline will be met. Then we can begin the slow process of regaining the public's trust not only in us but, more importantly, in Parliament itself.

7.20 pm

Mr. David Heath (Somerton and Frome) (LD): I agree with the sentiments expressed by both the Deputy Leader of the House and the hon. Member for North-West Cambridgeshire (Mr. Vara) in saying that this motion is a crucial part of a process that was started some time ago, which all of us understand as being a matter of urgency and immense importance in re-establishing trust in the system and ensuring that the decisions that need to be taken by an independent body outside the purview of this House are taken in an orderly fashion.

I recall that when we dealt with these matters earlier this year in proceedings on the Parliamentary Standards Act 2009, there were details that were properly matters for debate, and matters on which the House divided. However, one that was not divided upon and on which no dissent was expressed was the process, now set out clearly in statute, for arriving at the names of the independent members. I hope that Members who had the opportunity to change that process will not express the view today that it is somehow inappropriate. It is clearly laid out in statute.

I have no difficulty with the process, and I believe that we have before us today a list of names that has been arrived at through a fair, open and competitive system, with the attributes of those individuals having been properly considered in competition with others.

Mr. Bone: The hon. Gentleman normally stands up for the right of this House to scrutinise business, but he rather seems to be saying that because some other body has decided these names, we should automatically accept them. Is that his view?

Mr. Heath: My view is that this House decided a process, which did not involve Members picking and choosing members of an independent body who suited

their own personal views. I shall read from the Act for the hon. Gentleman, because he has clearly forgotten what it says. It states in part 1 of schedule 1:

"(1) The chair of the IPSA is to be appointed by Her Majesty on an address of the House of Commons.

(2) An ordinary member of the IPSA is to be appointed by Her Majesty on an address of the House of Commons.

(3) A motion for an address under sub-paragraph (1) or (2) may be made only with the agreement of the Speaker."

Mr. Speaker has agreed to the motion before us. The Act also states:

"The person the subject of the motion must have been selected by the Speaker on merit on the basis of fair and open competition."

It does not say that they should have been selected by amendment in the House. It states:

"The Speaker must not select a candidate without the agreement of the Speaker's Committee for the Independent Parliamentary Standards Authority."

That is a body that the House set up for the express purpose of advising Mr. Speaker.

Mr. Desmond Swayne (New Forest, West) (Con): The hon. Gentleman has rightly set out the necessary conditions, but not sufficiently. There is also the condition that the address be voted by the House.

Mr. Heath: But not amended by the House. *[Interruption.]* I am sorry, but if the hon. Gentleman does not like this, he should have made that point at the time when the statute was passed, not now. It is set out clearly.

Mr. Andrew Turner (Isle of Wight) (Con): On a point of order, Mr. Deputy Speaker. If it is not possible for us to have a vote, why are we able to have a debate?

Mr. Deputy Speaker: Order. It is possible to have a vote, because Mr. Speaker has selected the amendment.

Mr. Heath: I have a further concern. The attributes of the members of IPSA are set out in the legislation—the Deputy Leader of the House has already laid out what those people should be. One member should be the chairman and there should be four other members. One must have held judicial office and one must be qualified to be an auditor, and the motion includes both. However, one member must be a person who has been but is no longer a Member of the House of Commons, which is where I have a problem.

I have no doubt whatever that Mr. Speaker is perfectly in order—of course, by definition, he is in order—to have selected what is effectively a manuscript amendment to delete one member. However, if the amendment were made, it would leave the motion deficient in meeting the requirements of the 2009 Act, because it would mean that IPSA will not have the required members to do its work.

I see this as yet another attempt to slow down the process of introducing proper reform in this House of Commons. The process has constantly been sniped at by certain Members who wish to retain the old practices. Many of us feel that it is time for those delays to stop and time for us to do what is necessary to sort out the reform of this House.

My fear is that the motion before us is capable of amendment to make it unlawful, were the amendment to be moved, so on a point of order, Mr. Deputy Speaker, I beg to move, That the Question be not now put. That is the substantive motion before us.

Mr. Deputy Speaker: Mr. Speaker has selected an amendment which in due course will be taken. That is the ruling on which I intend to rest.

Mr. Heath: Further to that point of order, Mr. Deputy Speaker. I refer to "Erskine May", page 341. This is an accepted parliamentary procedure. It applies to the Question currently before the House, not the Question that is to be moved at a later stage. It is that the Question be not now put. I ask you to rule whether that matter should not now be divided upon.

Peter Bottomley (Worthing, West) (Con): Further to that point of order, Mr. Deputy Speaker. Are we to understand that the hon. Gentleman has not moved an amendment, and that having made his own speech, he now proposes that the main question should not be put to the House at any stage?

Mr. Deputy Speaker: It would appear a rather odd proposal that the matter which, as the hon. Member for Worthing, West (Peter Bottomley) says, needs to be decided by the House, should not be decided by the House, so I am not prepared to accept the motion of the hon. Member for Somerton and Frome (Mr. Heath). That is my ruling.

7.28 pm

Sir Nicholas Winterton (Macclesfield) (Con): I beg to move, after 'Rt. Hon Lord Justice Scott Baker,', leave out 'Jackie Ballard'.

The amendment is in my name and that of my hon. Friend the Member for Christchurch (Mr. Chope), who sadly cannot be in the House this evening owing to official parliamentary business in Europe. It is an amended amendment.

Initially, I should like to thank Mr. Speaker, his office and the Clerks of the House for enabling the amendment to be selected and debated. I am somewhat surprised by the fervour of the remarks made by the hon. Member for Somerton and Frome (Mr. Heath) for the Liberal Democrat party. I thought that he and his party were in favour of open and transparent debate, which is what this is all about.

My remarks are going to be brief, and I want to make two points. First, I am of the view that Jackie Ballard, who served in this House for just four years, is not adequately experienced to represent all Members of the House on IPSA, which is a very important authority. It is going to establish an allowance and expenses process for the House to put right all the problems that have been experienced over the past 15 months.

I speak as a Member who has been in Parliament for 38 years plus and therefore has some experience of how this House operates and why some of the problems that have occurred recently have arisen, and we need a former Member of Parliament who has been out of the House for at least one Parliament, but who had substantial experience of this House and could bring a wealth of knowledge to the discussions that the authority will have under the chairmanship of Professor Sir Ian Kennedy.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): During the passage of the Bill that has brought this motion before us, did the hon. Gentleman attempt to introduce an amendment to the effect that there should be this bar or hurdle that someone has to overcome before they may be nominated?

Sir Nicholas Winterton: I do not think that that is a particularly relevant question. My colleague and I have tabled an amendment to the motion on the Order Paper because we believe strongly—and I have spoken to Labour Members and other Conservative Members who agree—that it would be more appropriate for the person who will represent Members of Parliament to have a lot more experience than Jackie Ballard.

I hope that what I am about to say will not be too controversial and anger Liberal Democrat Members. I wonder whether someone whose job is mainly lobbying is the sort of person—

Mr. Heath *rose—*

Sir Nicholas Winterton: Let me finish. I wonder whether someone whose job is mainly lobbying is the sort of person who should represent Members of Parliament on this important authority. I shall quote remarks made by Jackie Ballard in an interview with *The Guardian*:

"I might have a background in campaigning but that's not why I'm here. I'm here because of my knowledge of the voluntary sector, my understanding of the lobbying process".

That suggests to me that one of her main assets is her ability to lobby. In the same interview, she said:

"There's a really big job to be done, whether it's fighting for better legislation or employment practice".

I often agree with the hon. Member for Somerton and Frome (Mr. Heath), as he knows, on the processes of this House, but that indicates that this particular individual does not have the appropriate advantages, experience and assets to represent Members of Parliament on an authority that will decide the future of allowances and expenses for many years to come and may therefore influence whether people come into this place or not, or whether they stay here. I am leaving and therefore it will have no impact on me, but I have a right and a duty to be concerned about the future of this House. I hope that the hon. Gentleman will give me credit for being committed to this House as a democratic assembly, and I will fight to the death to ensure that that is its future.

Mr. Heath: The hon. Gentleman knows that I have frequently given him credit for precisely the attributes that he has rightly assumed to himself. However, this is not a matter for personalities. I did not mention the personal attributes of any of the persons in the motion. This is a matter of procedure, as he knows very well, and this is the procedure that was set down by this House—not anyone else—for names to be brought forward. It is not for us to usurp what was an open and transparent competition for those places. He can reject the lot, but I do not believe that he can take a single name and reject it on the grounds that he has advanced.

Sir Nicholas Winterton: We took advice on the matter, and the Speaker, whose position in the House is very important and whose final decision is the final decision, decided that the amendment, in its amended form, was acceptable to the House.

Sir Robert Smith: Will the hon. Gentleman give way?

Sir Nicholas Winterton: I am not going to give way again because I promised that I would be brief.

I believe that I have certain duties, if I feel strongly about one of the appointments. I have the appropriate papers telling me how the individual was appointed to the authority as one of the four other than the chairman, Professor Sir Ian Kennedy. I am well aware of the considerable thought given to the matter, but I believe that in a democracy, an individual has a right, despite the expertise of many of the people involved in the prior process, to air their concerns and reservations.

Sir Robert Smith: Will the hon. Gentleman give way?

Sir Nicholas Winterton: I will not give way.

I believe that we should have an ex-Member of the House with considerably more experience to represent Members of the House during the critical few months while Professor Sir Ian Kennedy decides on the allowances and expenses process that will impact on Members of the House for many years to come.

David Howarth (Cambridge) (LD): On a point of order, Mr. Speaker. At the end of the speech by my hon. Friend the Member for Somerton and Frome (Mr. Heath), he claimed to move the previous Question—that the Question be not now put. It has been the invariable practice of the Chair to accept that motion, which is a debatable motion, and to have the House discuss it before moving on to amendments of the form that has just been spoken to by the hon. Member for Macclesfield (Sir Nicholas Winterton). What happens in such a debate is that Members can then discuss whether they think that it would be right for the House to decide the matter that evening, or whether it would be better, given the circumstances and possible illegality that my hon. Friend described, for the matter to be moved over to a different day.

Peter Bottomley: Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. I shall respond to the point of order from the hon. Member for Cambridge (David Howarth) first, and then I shall be very happy to listen to the point of order from the hon. Member for Worthing, West (Peter Bottomley).

I say to the hon. Member for Cambridge that my understanding of matters is not the same as his. I do not think that it is correct that the Chair can simply accept the previous Question and, as he put it—if I quote him correctly—move on. It is not a question of accepting it and moving on. If the previous Question were to be accepted by the Chair, it would be debatable and the House would be obliged to debate it. It is not, therefore, a question of moving on. It would have to be debated, and I am not at this point suggesting that it be debated.

For the purposes of clarification, may I establish whether the hon. Member for Macclesfield (Sir Nicholas Winterton) was merely thinking that he was giving way, or had he genuinely concluded his oration?

Sir Nicholas Winterton: Mr. Speaker, I have concluded. I promised Members of the House to whom I spoke that I would seek—uniquely—to be brief. I was brief,

other than the interventions that I took, but I felt that I had to state my case clearly and transparently, as you would expect me to do.

Mr. Speaker: I am very grateful. I hasten to add that I certainly was not commenting in any judgmental way on the length of the hon. Gentleman's speech, nor expressing surprise. Nevertheless, I am extremely grateful to him for his clarification.

I want to move on shortly, but I must honour my obligation to the hon. Member for Worthing, West.

Peter Bottomley: Further to that point of order, Mr. Speaker. The original suggestion to the House was that the original Question be not now put. Given that that was not accepted, we were able to go on with the debate, which would have been the effect of moving a motion that the Question be not now put. I suspect that there was some confusion between saying that the motion should now be put and a motion that was not put, which was the previous business.

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order, but I am not quite sure that it has caused any fog to evaporate. Some people might think that it has even added to the quantity of fog. The hon. Member for Somerton and Frome (Mr. Heath) was seeking to move the previous Question—*[Interruption.]* Well, I think that the purport of what the hon. Gentleman was saying was that he wished to move the previous Question—which, if I understand it correctly, was a proposition that the original Question should not now be put. The premise on which that proposition is based is that the original Question would be put on another occasion, but not this evening. I am minded to accept that at this point, and for that matter to be debated. I therefore now propose that Question. *[Interruption.]* Let me try to explain for the right hon. Member for Maidstone and The Weald (Miss Widdecombe). The proposition from the hon. Members for Cambridge and for Somerton and Frome is that the original Question should not now be put. That is my understanding of what those hon. Gentlemen are suggesting. They are arguing that the Question on the original motion should not be put tonight. I am happy for that matter to be debated at this point.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): On a point of order, Mr. Speaker. Purely for clarification and so that I am not confused—I do not like being confused—may I ask what impact debating the motion moved by the hon. Member for Somerton and Frome (Mr. Heath) will have on the time available to debate the main motion? *[Interruption.]* You did not even hear that point of order, did you?

Mr. Speaker: I think I did, but if the right hon. Lady wishes to repeat her point of order, she is welcome to do so.

Miss Widdecombe: Could you explain to me, Mr. Speaker, in words that I can understand, what impact accepting the hon. Gentleman's motion has on the time available for the main motion? Or can I go home?

Mr. Speaker: These are relatively uncharted waters—and certainly for this occupant of the Chair—but the answer to the right hon. Lady is that if, when the Question is put, the motion moved by the hon. Member for Somerton and Frome is accepted, we would then proceed to the next business of the House. What I propose to allow is a short debate on this alternative proposition suggested by the hon. Gentleman—for which there is provision in the procedures of the House. When there has been a short debate on that matter, the proposition can be tested. If the proposition were successful, the effect would be that we would have to proceed to the next business. If it were unsuccessful, I believe that I am right in saying that we would be able to test the original motion—*[Interruption.]* Indeed: not "we would be able"; in fact, I would be obliged to test the will of the House on the original motion. I know that these are not easy situations, but I hope that that is clear to hon. Members. If anyone else wants to help out with a point of order, he or she is welcome to do so—but I do not want to tempt too many.

Jeremy Corbyn (Islington, North) (Lab): On a point of order, Mr. Speaker. Am I right in thinking that if the proposal of the hon. Member for Somerton and Frome (Mr. Heath) is successful, the main motion would have to be returned to on another day, in another debate? If so, the import of what he is doing is to prevent IPSA from being set up and to prevent us from going forward—or am I wrong?

Mr. Speaker: The hon. Gentleman is right. The matter would have to be returned to by the House on another occasion. It is fair to say—I make this point not evaluatively, but as a statement, I think, of fact—that the intention of the hon. Member for Somerton and Frome is indeed to ensure that no decision on the main motion is reached tonight. It is for that reason that he is proposing an alternative motion.

Several hon. Members *rose—*

Mr. Speaker: I shall take one more point of order. Sir Patrick Cormack.

Sir Patrick Cormack (South Staffordshire) (Con): Further to that point of order, Mr. Speaker. For further clarification, if the motion moved by the hon. Member for Somerton and Frome (Mr. Heath) is carried and we move on to the next business, we shall then have to debate the IPSA motion on a future occasion. Presumably you would then be minded to accept another amendment such as that which you have accepted as being lawful and in order tonight—so we would be back to square one, would we not?

Mr. Speaker: I think that it was the late Lord Whitelaw who said that on the whole, he tended to believe in crossing bridges only when he came to them. However, I have noted what the hon. Gentleman has said, which is firmly on the record—and his remarks about the selection of amendments are in no way eccentric.

I now call Mr. David Heath.

Mr. Heath: Thank you, Mr. Speaker. I ought to preface my remarks by assuming that I shall be speaking to the motion as at the point at which I proposed it—because that has some relevance to the House's proceedings. I am, of course, speaking to the main Question prior to any suggestion that an amendment

had been moved. I seek your advice on that precise point, Mr. Speaker, because it is relevant. May I ask you, on a point of order: is the motion before us timed at the point at which I moved it?

Mr. Speaker: I think it is right to say that the motion became live at the point at which the hon. Gentleman proposed it—or rather, I proposed the Question, having heard the hon. Gentleman's representation. I believe that that was fewer than four minutes ago. I hope that that provides a helpful elucidation for the hon. Gentleman. I repeat—this is why I think it would be good if we discontinued points of order and got on with the substance—that I intend to allow only a short debate on this matter.

I now call Mr. David Heath.

7.45 pm

Mr. David Heath (Somerton and Frome) (LD): I intend to be extremely brief, Mr. Speaker. We have now established that we are considering whether the original question be not now put—not the amendment. The amendment, in effect, has not now been moved, because this debate started from the point at which I claimed to move the procedural amendment.

Let me explain why. There are two points. First, I believe that if the amendment were to be carried it would invalidate the motion, which is a great concern of mine because I want IPSA to be—

Peter Bottomley: On a point of order, Mr. Speaker. The hon. Member for Somerton and Frome (Mr. Heath) is suggesting that if an amendment selected by the Speaker is carried, it would invalidate another motion. That would have been out of order, so the amendment would not have been allowed. As it has been allowed, the hon. Gentleman is clearly wrong.

Mr. Speaker: I fear that that is a point of opinion—for sure—and possibly a point of frustration, but I am not sure that it is a point of order.

Mr. Heath: Thank you, Mr. Speaker. I have already made one of the two points I intended to make. In the light of that point, there is an argument that the decision should be put off—I hope until tomorrow—in order for the matter to be resolved, and so that a list of names that is in order and is presented by you, Sir, on the advice of the people whom you are statutorily bound to consult and be advised by, can be put before the House.

If the procedural motion that I have proposed is negatived, it is clear from "Erskine May" that the effect of the "negativing" of that device is to require the Question on the main motion to be put forthwith. If, therefore, the procedural motion that I have moved—that the question be not now put—were to fail, the original Question will be divided upon immediately, without amendment. That is my purpose.

7.48 pm

Peter Bottomley (Worthing, West) (Con): The hon. Gentleman's last point contradicts virtually everything in "Erskine May". "Erskine May" is not a book of things that have never changed; everything that is in "Erskine May" is there because it once happened for the first time. What the hon. Gentleman has just suggested to you, Sir, and to the House, is that either his motion—or rather your motion, Mr. Speaker, on his behalf, as suggested by him—will be carried, in which case we would move on to the next business, or that it will fail, in which case the debate will finish. What he is suggesting is a stratagem that disallows the moving of the amendment and the House's chance to vote on it. If "Erskine May" does not allow that suggestion to be dismissed, I suggest that we should have a page in "Erskine May" that does deal with it—and it can start by reporting what happens this evening.

I accuse the Liberal Democrats of being illiberal and undemocratic. What they are saying—I speak as someone who would have voted against the amendment and in favour of the original suggestions put forward in the motion in the name of the Leader of the House—amounts to digging a hole and jumping into it. I suggest that the hon. Member for Somerton and Frome ask his party leader to come along and say whether he knew in advance that the Liberal spokesman was going to try to play this game. If the Liberal Democrat leader did not know that, why did the hon. Gentleman not consult his leader; and if his leader did know it, why is that leader not here to justify what clearly runs against the purpose of the House of Commons, which is to be able to make a decision on a relatively simple issue—in this case: do we choose Jackie Ballard, or do we choose Elizabeth Peacock?

Let me say to the Liberal Democrats that I hope that the point that they have tried to make, either by means of a speech or by means of a point of order, does not work. And let me say to those who advised you, Mr. Speaker, that they ought to work out whether, this motion having been moved, it is possible to make a decision on the amendment. I suggest that we dismiss the hon. Gentleman's motion—although you have put it very fairly to the House—and then find a way of moving on to the amendment and making a decision on that.

7.50 pm

Mr. Peter Bone (Wellingborough) (Con): I think that the hon. Member for Somerton and Frome (Mr. Heath) is experiencing one of his worst days in the House. He had built up a reputation for securing debate in the House, and for ensuring that Members were here to oppose what was proposed and to put their points of view even if that was against the wishes of the Front Benchers or the Whips. But what we are seeing now is a manoeuvre to stop debate.

You, Mr. Speaker, have already ruled that if the procedural motion is approved, we will move on to the next business. This is, in effect, wrecking and delaying the very development with which that hon. Gentleman claimed earlier that he wanted to proceed forthwith. He accused Conservative Members of trying to delay and wreck it, but the complete opposite is the case. We now see the Liberal Democrats' true colours, and this horrible manoeuvre should be defeated.

7.51 pm

Sir Patrick Cormack (South Staffordshire) (Con): I find this a very sad moment. The House is just making itself look stupid. It seems to me that what the hon. Member for Somerton and Frome (Mr. Heath) has done is to resort to a stratagem that will have one effect and one effect only: the stifling of debate on an amendment

that you yourself, Mr. Speaker, ruled to be in order. That strikes me as being fundamentally wrong.

The hon. Member for Somerton and Frome made some telling points about the nature of the appointments, the way in which they had been arrived at, and the way in which you, Sir, had agreed to them—but you had selected the amendment, and therefore you clearly believed that it was entirely proper for the House to debate this particular proposition. I came here tonight from the reception which you were graciously and generously hosting for the American ambassador in order to take part in this debate, because I believe it is legitimate for the House to have an opportunity to consider the people who are being proposed as members of this extremely important authority. I do not want to indulge in personalities. All I would like to say is this: I believe that, as it has been decided that one of the members of this important authority should be a former Member of Parliament, it is legitimate to express the view that it would be a good thing if that Member of Parliament had a fairly lengthy experience of this House, and had betrayed a great degree of affection for and knowledge of it.

I regret the fact that my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton)—who spoke to his amendment very moderately—had to insert names, but he really had no alternative. That is not a criticism of him. I just think that it would be a good idea for the House to put down some markers, so that those who are to serve on the independent authority—which will have no particular impact on me, as I shall not be here in the next Parliament—are aware that we truly want this Parliament, which I believe is the greatest Parliament in the world, and the House of Commons, which is the most important part of the greatest Parliament in the world, to regain public confidence and trust. That confidence and trust cannot be regained unless those who have the supervisory role that we are discussing understand what being a Member of Parliament is all about, and what the nature of this calling—I do not describe it as a job or an occupation—involves and demands.

I hope that we can discuss this matter sensibly. Whether we need to vote is another matter entirely. I think that my hon. Friend the Member for Macclesfield has performed a service by tabling this amendment, and that you, Mr. Speaker, have performed a service to the House by selecting it. I also think that it ill behoves any of us to stifle debate or stop discussion on a subject that you yourself have clearly marked as entirely legitimate to be discussed.

7.55 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): We are witnessing a very sad exhibition of very unworthy tactics. Unfortunately, all this will do is to compound the reputation that we already have of being in a muddle, and of being untrustworthy in how we handle this wider issue. A motion, of which we all had due notice, was on the Order Paper, and you, Mr. Speaker, had selected an amendment, which means that you considered that amendment to be in order and worthy of debate in this House. Admire as I may anybody who can use "Erskine May" as the hon. Member for Somerton and Frome (Mr. Heath) has just done—despite my admiration for his technical achievement in that regard—I think it goes entirely against the democracy of this Chamber when we cannot debate a motion that has been fairly put down, of which we have had notice, and to which you, Mr. Speaker, have approved an amendment for debate. If we vote that this be not now put, the ridicule that we will receive in tomorrow's newspapers will speak for itself.

Mr. Speaker: In these exceptional circumstances, and following the right hon. Lady's remarks, I simply put it on the record that what she said about the selectable character of the amendment is correct. That was also said, I think, by the hon. Member for Macclesfield, and certainly by the hon. Member for South Staffordshire (Sir Patrick Cormack). I hope the right hon. Lady will acknowledge that my concern in this matter must be to do what it is procedurally proper for me to do in the circumstances. Whatever may be said about the motivation for, or the reputation created by, the proposal for the previous question to be put, I have to make a judgment on the basis of what is procedurally proper. Members will no doubt be aware that the last three occasions when the previous question was moved were 20 January 1943, and 20 January and 3 May 1989. It is, therefore, a very infrequent occurrence; this is the fourth such occasion in a period of, I think, 66 years. I am guided, of course, by the advice that I am given, but I have also noted what the right hon. Lady has said.

As no other Member is rising to speak, the proper procedure now is for me to put the Question that the Question be not now put. So that there is no confusion, let me explain that the Question that is to be put before the House is that on the motion supported by the hon. Members for Cambridge and for Somerton and Frome—That the main Question be not now put.

Question put, That the main Question be not now put.

The House divided: Ayes 41, Noes 194.

Division No. 14] **[8 pm**

AYES

Alexander, Danny
Baker, Norman
Brooke, Annette
Browne, Mr. Jeremy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Davey, Mr. Edward
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Huhne, Chris
Lamb, Norman
Laws, Mr. David
MacNeil, Mr. Angus
Moore, Mr. Michael
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Russell, Bob
Stunell, Andrew
Swinson, Jo
Teather, Sarah
Thurso, John
Watson, Mr. Tom
Webb, Steve
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Wishart, Pete
Younger-Ross, Richard

Tellers for the Ayes:
Sir Robert Smith and Mr. Roger Williams

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Janet
Atkinson, Mr. Peter
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baron, Mr. John
Barron, rh Mr. Kevin
Bellingham, Mr. Henry
Berry, Roger
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, Mr. Russell
Burnham, rh Andy
Burns, Mr. Simon
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Campbell, Mr. Alan
Cawsey, Mr. Ian
Clark, Greg
Clark, Ms Katy
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Crabb, Mr. Stephen
Cummings, John
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Dai
Davies, Philip
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Dorries, Nadine
Dowd, Jim
Duddridge, James
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Ellwood, Mr. Tobias
Fabricant, Michael
Fiello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francois, Mr. Mark
Gale, Mr. Roger
Gapes, Mike
Gillan, Mrs. Cheryl
Goggins, rh Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Healey, rh John
Hoban, Mr. Mark
Hodge, rh Margaret
Hollobone, Mr. Philip
Hoon, rh Mr. Geoffrey
Hosie, Stewart
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Jenkin, Mr. Bernard
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kawczynski, Daniel
Keeley, Barbara
Knight, rh Mr. Greg
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Lloyd, Tony
Llwyd, Mr. Elfyn
Malik, Mr. Shahid
Mallaber, Judy
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McKechin, Ann
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Miller, Mrs. Maria
Mole, Chris
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Pearson, Ian
Penning, Mike
Pope, Mr. Greg
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Randall, Mr. John
Raynsford, rh Mr. Nick
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Roy, Mr. Frank
Seabeck, Alison
Shapps, Grant
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Soulsby, Sir Peter
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timpson, Mr. Edward
Tipping, Paddy
Touhig, rh Mr. Don
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Jenny Willott and
Mr. Adrian Sanders

Question accordingly negatived.

8.11 pm

Sir Nicholas Winterton (Macclesfield) (Con): On a point of order, Mr. Speaker. I shall be brief. Do you not think it is a sad day for this House when a political party—the Liberal Democrats—seeks to silence transparent, open and important debate? Will you therefore look at what has occurred this evening and study "Erskine May" to see whether the use of this dishonest, devious device can be removed?

Mr. Speaker: Order. I am genuinely grateful to the hon. Gentleman for his point of order. He is an enormously experienced Member; will he withdraw the word dishonest, please?

Sir Nicholas Winterton: I am happy to do that, Mr. Speaker. May I say "this unfortunate, devious device", and ask that it be removed so that the House can openly debate issues of great importance for the future of Parliament?

Mr. Speaker: It is in keeping with the hon. Gentleman's long experience of this House that he should use that opportunity to make a second point of order. He has exhorted me to do two things: to think and to look at the matter. I think I have to say, in respect of the first, that it is not the obligation of the Chair to think. However, it is perfectly reasonable for him to invite me to look at the matter, and I am always happy to have my eyes open as he advises that I should. Beyond that, the safest thing that I can say is that he has put his views on the record with his customary force and élan.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Speaker. Can you confirm that if the Liberal Democrats had been successful in their attempt this evening, the House would not be able to vote on the setting up of IPSA? That party has tonight attempted to stop the setting up of IPSA.

Mr. Speaker: What I would say in response to the right hon. Gentleman's point of order is that I have already said what the consequences of particular votes on given propositions would be. That observation from me is on the record, and it would not be seemly now to go beyond that, but he has, in his point of order, put his views on behalf of the official Opposition very explicitly on the record for others to see. We must now vote on the main motion.

Main Question accordingly put forthwith.

Question agreed to.

Resolved,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Professor Sir Ian Kennedy to the office of Chair of the Independent Parliamentary Standards Authority, and the Rt. Hon. Lord Justice Scott Baker, Jackie Ballard, Ken Olisa and Professor Isobel Sharp to the office of ordinary member of the Independent Parliamentary Standards Authority.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LEGAL SERVICES

That the draft Legal Services Act 2007 (Functions of an Approved Regulator) Order 2009, which was laid before this House on 13 October, in the previous Session of Parliament, be approved.—(*Helen Jones.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No.118(6)),

LEGAL SERVICES

That the draft Legal Services Act 2007 (Consequential Amendments) Order 2009, which was laid before this House on 2 November, in the previous Session of Parliament, be approved.—(*Helen Jones.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ENVIRONMENTAL PROTECTION

That the draft Environmental Permitting (England and Wales) (Amendment) (No. 2) Regulations 2009, which were laid before this House on 28 October, in the previous Session of Parliament, be approved.—(*Helen Jones.*)

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 9 December (Standing Order No. 41A).

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the Government's Legislative Programme as outlined in the Queen's Speech as it relates to Wales and Government expenditure in Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 16 December at 9.25 am and between 2.00 pm and 4.00 pm to consider the matter referred to it under paragraph (1) above.—(*Helen Jones.*)

REGIONAL SELECT COMMITTEE (LONDON)

Motion made,

That Ms Karen Buck, Jeremy Corbyn, Clive Efford, Siobhain McDonagh, Mr Andy Slaughter and Mr Andrew Pelling be members of the London Regional Select Committee.

Hon. Members: Object.

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.

Hon. Members: Object.

PETITION

Badman Report (Bridgwater)

8.15 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I shall try and keep this concise after all that—*[Interruption.]*

Mr. Speaker: Order. I am sure that Members will want to hear the presentation of the petition by the hon. Member for Bridgwater (Mr. Liddell-Grainger), but if they do not they can always amuse themselves elsewhere.

Mr. Liddell-Grainger: The petition is from the residents of the town of Bridgwater.

The petition states:

The Petition of persons resident in the Bridgwater parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

Following is the full text of the petition:

[The Petition of persons resident in the Bridgwater parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on

a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, proposed legislative measures providing for tighter registration and monitoring of children educated at home in the absence of a thorough independent inquiry into the condition and future of elective home education in England; but instead to take the steps necessary to ensure that the existing Elective Home Education Guidelines for Local Authorities are properly implemented, learning from current best practice, in all local authorities in England.

And the Petitioners remain, etc.] [P000436]

Whittington Hospital

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

8.16 pm

Jeremy Corbyn (Islington, North) (Lab): I am very pleased to have secured this Adjournment debate on the Whittington hospital. All my parliamentary neighbours—my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson), my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) and the hon. Member for Hornsey and Wood Green (Lynne Featherstone)—wish either to intervene on my speech or to contribute to the debate. Like me, they all very much value our local hospital and want it to succeed and to continue in its present form. We all want to lift what I believe to be the threat that is hanging over it at the present time.

I have represented Islington, North since 1983, and have had numerous dealings with the hospital. I have been a patient there, as have my children, and I have been to the hospital many times, either to visit people or to have regular discussions with its successive chairs and chief executives about how it is run. It is a very successful local hospital. It treats a large number of patients, serving roughly 250,000 people in the boroughs of Islington and Haringey and in parts of Camden and Barnet. It has been the beneficiary of a very large amount of investment over the past few years, with £30 million being invested in a new wing. That wing is now open and is very successful. It is very well run and of a very high standard, and the hospital has been free from MRSA for a very long time. It is a successful hospital of which we can all be proud, and that is the message that we want to get across.

The hospital employs 2,000 staff and has 400 beds. Last year, it treated 20,000 in-patients, 16,000 day cases and 233,000 out-patients. It delivered 3,683 babies and, crucially, it treated 80,000 people in its accident and emergency department. It also has a very successful and well run maternity and labour unit. The hospital has a neonatal intensive care unit, and we are rightly proud of its new A and E department, which deals particularly with children. This is a hospital that serves its local community and we want it to continue to do so. That is the point of tonight's debate.

The health service is undergoing one of its sporadic bouts of internal planning and reconfiguration, which is where the concerns come from. We are part of the north central planning area, which includes Camden, Islington, Haringey, Barnet and Enfield—all densely populated, all with rapidly rising populations, all busy areas and all surrounded by major railways, roads and facilities. For example, a short distance away from the Whittington is the Arsenal stadium, which hosts 60,000 people every fortnight, and there are obviously major roads such as the north circular and the A1, which runs virtually in front of the hospital.

The concerns arose on 19 November, when a story appeared in the local paper, the *Islington Gazette*, that

"in a massive reorganisation of London's NHS, every hospital in the boroughs of Islington, Camden, Haringey, Enfield and Barnet will be categorised either as a 'local', 'major acute' or 'specialist'. The Whittington will almost definitely be downgraded to a 'local' hospital."

An internal letter then also appeared from NHS Islington, which seemed to say that there was a question mark over the future of the hospital's A and E department and the intensive care unit. I believe that some of my parliamentary colleagues intend to refer to that when they speak a little later in this short but very important debate.

Since the story came out, I have had numerous contacts with the hospital. I have spoken at some length with the primary care trust for Islington, which is also involved in the commissioning authority for the north central area. The more discussions I have with more people, the more concerned and alarmed I become. I also discovered during those discussions that a company called Participate has been retained by the NHS to undertake a consultation exercise, which, unfortunately, has so far taken place as an internal private focus group of some sort, as I understand it. I certainly was not invited to attend it. I have checked with the local authority and parliamentary neighbours, and I am not quite sure who was invited, but it certainly was not any of us. That has caused understandable concern.

If the hospital's future is in any doubt, I want to know what attitude the Government will take, what pressure they will put on NHS London and what they see as the future configuration of health care facilities in London, and I say that for two reasons. An accident and emergency unit is the heart of a hospital. Obviously, with an A and E unit and an intensive therapy unit, anyone who suffers any kind of accident, injury or whatever else can be treated very quickly. Major surgery can take place in other parts of the hospital because there is an A and E unit as a back-up facility. That is very important: clearly, if the back-up facility is lost, the possibilities of major elective surgery are removed from the hospital, and we begin to see a downgrading and, ultimately, the hospital's closure.

At the risk of sounding terminally boring, I would remind the House that I was first elected here in 1983. The first letter that I received from a Minister—I was really chuffed to get one from a Minister—was from the former Health Minister, Brian Mawhinney, who wrote to me to say that previous assurances given to my predecessor that the closure of the casualty unit, as it was then called, at the Royal Northern hospital would not lead to the hospital's closure were hereby withdrawn. Indeed, the hospital was duly closed. Those who have long memories see what is happening as part of a trajectory that will end with the Whittington hospital's closure.

Arguments have been put that the casualty units are all very close together, so a closure is okay; it does not matter. Well, it does matter. It matters because of the safety of the people who live around that area, the safety of the community and the ability of the NHS, which we are all very proud of, to provide services free at the point of use for people who desperately need them.

Frank Dobson (Holborn and St. Pancras) (Lab): I am sure my hon. Friend would agree that all the investment in the Whittington has been intended to upgrade it. What appears to be proposed now is to downgrade it. In relation to the threat to the 80,000 accident and emergency patients, will he confirm that the alternatives are the Royal Free, which has 80,000 accident and emergency patients, and University College hospital in my constituency, which has 130,000 accident and emergency patients and is already saying that the number of emergency cases is leading to delays in elective surgery, so as far as that hospital is concerned, it is getting too many emergency cases already, but if the Whittington A and E department closes, it will clearly get many more?

Jeremy Corbyn: My right hon. Friend is right: 80,000 patients are treated there. A friend of mine had a very serious heart attack in August. The ambulance did not have time to get to UCH because it would have taken five to 10 minutes more. It was very late at night and the roads were clear, so he was rushed to the Whittington, which was the nearest hospital. He was treated superbly and has made a recovery. That is one example in which somebody, had they had to go somewhere else, might not have survived. I want the House to understand that if we close casualty units it might look efficient on paper, but there are 80,000 people who use that casualty unit and I want them to be able to continue to do so.

I shall be brief. Tomorrow evening Islington council is to receive a motion moved by the leader of the council and seconded by the leader of the opposition, expressing its concern at the threat to the accident and emergency service at the Whittington under the plans put forward, and asking that the council express its view that the accident and emergency department at the Whittington should remain open. I am sure that that motion will be carried by the council, and that equivalent motions will be carried on a cross-party basis in the neighbouring local authorities.

Everyone in the area is aware that the huge amounts of investment to which my right hon. Friend referred, some of which he was instrumental in pursuing when he was Secretary of State, have paid off. We have good services, good treatment and a good hospital, and we want it to carry on that way. If we allow the proposal to go ahead and if we lose the A and E department, everything else is at risk, entailing a huge waste of public money and resources.

I conclude by quoting Dr. Wendy Savage, a leading gynaecologist and co-chair of Keep Our NHS Public, who said:

"We are gravely concerned about the implications of these changes."

She said that they would

"... the loss of key services, including emergency surgery, paediatrics and maternity"

if the full A and E services were lost.

The consultations make me suspicious. If there are plans to close the Whittington A and E, come out with it in the open and let the public express their views. Do not allow the whole thing to be built up as some kind of financial case which becomes unanswerable, with the result that we lose those facilities. I am determined to defend my local hospital. We are all determined to defend our local hospital. I hope the Minister will understand the passion that is felt about that locally and that he will be able to say tonight that he is prepared to put pressure on to ensure that we keep that A and E and the hospital, and that the people of that very crowded part of London can rely on the NHS to provide them with the emergency services and all the other services that they need.

8.28 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing the debate. The issue is extremely important. The local Labour group of councillors has an online petition. I will not go through all the comments on that petition, but they are extremely moving and show how much loved the Whittington hospital is.

I had my life saved by the Whittington hospital. I remember arriving at A and E, standing at a desk and weeping on the woman at the desk. I had gone yellow, my eyes had gone strange and I was having problems breathing. I had, it seems, gallstones that were messing up my liver and my pancreas. If I had left it any longer, I would not be here today. I love the Whittington and there is a strong reason for that.

If there is any chance that anyone is seriously thinking about closing the Whittington A and E, they will have a fight on their hands, certainly from my hon. Friend and myself and the huge amount of support that we are already garnering in Islington and, I strongly suspect, across other boroughs that use the Whittington. I was speaking earlier today to the Minister for Higher Education and Intellectual Property, my right hon. Friend the Member for Tottenham (Mr. Lammy). There was some confusion about when the debate would begin, but he was intending to sit on the Back Benches and look like thunder. I know that he feels as strongly as I do.

8.29 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this vital, urgent and timely debate. He put his case—our case—exceptionally well, because what is true in Islington, North is true in Haringey and in Hornsey and Wood Green.

I first learned about the possible closure because I broke my toe—these things happen—and went to the Whittington hospital, as one does. A letter was leaked to me, and that letter was very explicit about all four options for the hospital's future. It was sent by Rachel Tyndall from the north central London sector to all the chief executive officers and medical directors of the relevant hospitals, and all four options showed that the Whittington would have no emergency take in future. That is how it was. As soon as the letter went public, however, it was retracted—to an extent—and became a proposal for local hospital designation, which would mean a reduction in services. There certainly would not be 24-hour care; there certainly would not be emergency care; and the hospital certainly would not retain the intensive therapy units, although urgent care of some sort might be provided.

The proposals have become mushed up with merger talks and service rationalisation, which I accept can be sensible. If the Royal Free hospital and the Whittington hospital both undertake kidney and liver treatment, one could do kidneys and one could do livers. That treatment is not urgent, however, and it does not need to be dealt with in seconds, as accident and emergency cases do.

The Liberal Democrat and Labour parties on Haringey council have passed a motion to keep the Whittington open. Other services may be dealt with separately, but this issue is all mixed up with the Darzi plan and the proposals on specialist trauma centres throughout London. Interestingly, the plan says that local hospital designation, which is the designation outlined in the second letter, means that one can retain 24-hour accident and emergency care. We should make no mistake: the issue is about budget cuts.

Local people have responded, and I had more than 1,000 signatures to the petition in the first 48 hours, which was an extraordinary response. They want their local A and E service, and it is absolutely vital that it is retained. Although is not like any other service provided by the hospital, it is important, as the hon. Gentleman said, that its other services are not diminished, because otherwise, the Whittington will wither on the vine. It cannot have escaped people's notice that the land on which it sits is worth a fortune. I do not want to take up any more time, so without adding anything further I thank the hon. Gentleman for letting me speak in his debate.

8.32 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing this debate about what is clearly a very important subject for his constituents and for the national health service in north central London.

I recognise the good work of NHS staff, not just at the Whittington hospital but throughout Islington and north central London. They are constantly striving to deliver better quality health care, benefiting the constituents of my hon. Friend and other hon. Members. Sometimes, it is worth recognising in this place the commitment and dedication of those staff.

This Government remain committed to supporting health service staff to provide good-quality health services throughout London. We have consistently emphasised the value of strong clinical and local leadership, so that doctors, nurses and other clinicians—those who understand best what their patients need—are at the forefront of the programme to shape the health service locally, in the best interest of patients.

However, the challenge for the local NHS is to explain to patients, the public and their representatives, including Members of Parliament, where any change might be needed, and to put forward clear proposals for that change. The aim should be to ensure safer, high-quality health care for everyone. However, I understand that there are no formal proposals for north central London at the moment. I do not quite know why managers have decided to start a process of consultation, and they will have to justify the cost of a consultation when there are no clear proposals in place. If there are no clear proposals, and that is what I am led to believe, the concern is why managers have decided to busy themselves consulting on proposals that do not at the moment really exist.

My hon. Friend's idea is that proposals are being discussed between managers, and that may well be the case—that they are having some discussions. Some of that may have been leaked, but NHS managers must be sure of the issues on which they are going to consult the public. Vague proposals that have no clarity about them and are then put out to consultation on the basis of saying, "Well, let's all talk about what we could do", serve little purpose other than to raise a lot of public concern. Something as woolly and vague as that is a

recipe for considerable concern for Members of Parliament and other public representatives, particularly if they are not being properly consulted and need to have these things explained to them. That is a recipe for ending up with confusion. Managers now need to explain very clearly what they are proposing. If they have recruited this organisation, Participate, it is up to them to justify the cost, particularly if local NHS money is being spent on a company that appears to be consulting without including political representatives in the appropriate way.

Local organisations have the budgets, and they have to justify how they choose to spend them. The local organisation of health care services is not dictated by Ministers or civil servants in Whitehall; it should be led by local health care professionals on the ground, clinically driven, focused on the best outcome for patients and, of course, meeting the highest levels of patient safety.

The hon. Member for Hornsey and Wood Green (Lynne Featherstone) expressed concern that the NHS across London faces cuts, as she put it. I have made it very clear to managers in the NHS that there should be no slash-and-burn cuts and no predicting of the Chancellor's settlements or the outcomes of general elections or any other elections, and I will name and shame those who try to do that. We have said that we want good-quality health services to be delivered, and that should be clinically driven. These decisions should be for those who make the judgments about what is the best care for their patients, not for managers simply deciding what they are going to do with their budgets. It has been the clear view of the Darzi review that the driving force of any change in the health service must be improving the quality of care that patients get.

The Government have established an independent scrutiny and review process for local service change as part of their commitment to place patients and the public at the centre of health services. If MPs and local councillors have any concerns about proposals coming from their local health services, I urge them to engage directly with primary care trusts, who are responsible for developing any proposals for change. I know that there have already been some meetings locally, and PCTs have assured me they would welcome any discussions with MPs. However, if there are significant local concerns, then the health and well-being scrutiny committee can refer proposals for any reconfiguration to the Secretary of State for Health, who in turn may decide to refer the case to the Independent Reconfiguration Panel for consideration and independent advice. Ministers will be prepared to look at any such referral by a health and well-being scrutiny committee or any overview and scrutiny committee of a local council. I want to make that clear; I know that local managers in the health service are clear about it.

Jeremy Corbyn: Will the Minister confirm that nothing in the plans for the future of the NHS includes the removal of 24-hour accident and emergency services where they are clearly identified as being necessary and vital in an area of rising population with an extremely large day time transient population who obviously need to have access to A and E just like everybody else?

Mr. O'Brien: The priority for any reconfiguration must be patient safety. Any reconfiguration or examination of the quality of services, whether they be A and E or any other kind of service, must be on the basis that the clinically led judgment is that the quality of patient care will be improved by the change.

I know I am being slightly oblique, because I do not want to venture into the detail of local decisions that need to be arrived at, but it is clear that if the quality of care for local people will not be better as a result, a reconfiguration should not be proceeded with. If it will improve the quality of patient safety and care, of course it needs to be examined properly.

The north central London sector involves five PCTs—Barnet, Camden, Enfield, Haringey and Islington, serving a combined population of 1.3 million people. Despite the headlines, it is worth noting that the review of the sector is at a very early stage of development. That is why it is surprising that some people are already supposedly carrying out consultations. Managers ought to draw up clear proposals, then put them to the public, have a proper consultation and listen to what is said. It is important that that be a genuine consultation and that people be listened to and their views properly taken into account before any decisions are arrived at. I am told that the local NHS is working closely with clinicians and will engage in due course with the general public on any proposals that might come forward.

Lynne Featherstone: With the sort of letters that are going out, the fear is that when the options for consultation finally come forward to the public, which will be in September 2010, there will not be a 24-hour A and E in them and that option will not be on the table for the public to let the authorities know about it. That is why we need to hear public voices now, because there may not be any option that says, "Keep the Whittington A and E open." The options that will be consulted on will not be the ones that the general public want.

Mr. O'Brien: I am slightly confused as to quite what the hon. Lady is suggesting. Is she saying that she wants a consultation when there are no proposals, or that she wants to wait and see what the proposals are so that there is something to consult on? It is not entirely clear.

Lynne Featherstone: I was trying to say that if people across Islington and Haringey did not make it known now how passionately they feel about the A and E at the Whittington, they might find that the options that come forward for consultation next September contain nothing that they actually want.

Mr. O'Brien: The hon. Lady appears to suggest, then, that a consultation should happen now. That is a matter for her to engage with the PCT on, but it seems to me that it is always better to have something on the table so that people know what they are talking about, rather than to have some vague and general consultation. She appears to think that there should just be general discussion, and that is for her to take up with the PCT.

I understand that the Whittington Hospital NHS Trust and the Royal Free Hampstead NHS Trust have been in discussion about how they can work more closely together in a number of ways. They already have some successful joint working practices in place. For example, some clinicians work across more than one site, and the Whittington, Royal Free and University College hospitals collaborate on matters such as urology. As I understand it, they are holding further discussions with staff as work progresses.

[Mr. Mike O'Brien]

Any changes that the trusts might wish to make should be underpinned by a proper process, so that the public are aware of them and know what is being discussed. An options appraisal, followed by a strategic outline case, would need to be endorsed by the trust boards, the relevant PCTs, the sector chief executive and the strategic health authority. As I understand it, nothing has been put before either board yet.

Emily Thornberry: Does my right hon. Friend therefore agree with us that the case for the closure of the Whittington hospital A and E department has yet to be made?

Mr. O'Brien: I entirely agree that the case for the closure of the Whittington hospital A and E department, if such a proposal were ever made, has yet to be made. As I understand it, the situation is that some vague discussions are going on. Local people have expressed their views, as have my hon. Friend and others, and it is now a matter for the PCT to decide how properly to proceed. However, I would tell the PCT to proceed with caution. Local people will have a view and the NHS needs to consult them properly. They ought to know what the ideas and so on are on the table in order to express a clear view about them.

My right hon. and hon. Friends have expressed very clearly their views about these matters and the importance to local people of the Whittington hospital, including its A and E department, and I am sure that those on the PCT will have heard those words very forcibly indeed.

Question put and agreed to.

8.45 pm

House adjourned.

House of Commons

Thursday 3 December 2009

The House met at half-past Ten o'clock

PRAYERS

[Mr. Speaker *in the Chair*]

BUSINESS BEFORE QUESTIONS

MANCHESTER CITY COUNCIL BILL [*Lords*] AND BOURNEMOUTH BOROUGH COUNCIL BILL [*Lords*]

Ordered,

That the promoters of the Manchester City Council Bill [*Lords*] and Bournemouth Borough Council Bill [*Lords*], which were originally introduced in the House of Lords in Session 2006-07 on 22 January 2007, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—*(The First Deputy Chairman of Ways and Means.)*

Ordered,

That on the next sitting day following presentation of the Bills, the Clerk in the Private Bill Office shall lay the Bills on the Table of the House.—*(The First Deputy Chairman of Ways and Means.)*

CANTERBURY CITY COUNCIL BILL AND NOTTINGHAM CITY COUNCIL BILL

Ordered,

That the promoters of the Canterbury City Council Bill and Nottingham City Council Bill, which were originally introduced in this House in Session 2007-08 on 22 January2008, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—*(The First Deputy Chairman of Ways and Means.)*

Ordered,

That on the next sitting day following presentation of the Bills, the Clerk in the Private Bill Office shall lay the Bills on the Table of the House.—*(The First Deputy Chairman of Ways and Means.)*

Oral Answers to Questions

TRANSPORT

The Minister of State was asked—

Rail Carriages

1. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): How many of the 1,300 rail carriages referred to in the rolling stock plan in January 2008 have been delivered. [303664]

2. **Mr. Andrew Turner** (Isle of Wight) (Con): How many of the 1,300 rail carriages referred to in the rail White Paper in July 2007 have yet to be delivered. [303665]

7. **Mr. Desmond Swayne** (New Forest, West) (Con): What progress has been made on the delivery of new railway carriages; and if he will make a statement. [303670]

The Minister of State, Department for Transport (Mr. Sadiq Khan): We remain committed to delivering 1,300 additional carriages by March 2014. Some 543 new carriages have been ordered, either for direct deployment or to release existing vehicles to expand capacity in line with the rail White Paper. Around 232 of those are already in service. We are currently in negotiations for a number of other procurements. As a result of our decisions to electrify railway lines, rolling stock requirements have changed. We will set out our revised strategy shortly.

Mr. Evennett: I thank the Minister for that response. As part of those 1,300 carriages, the Government promised Southeastern an extra 110, which obviously affects constituents in my part of south-east London. It was rather a disappointment that those extra carriages have been shelved in the short term. My constituents are therefore still waiting for that desperately needed new capacity to relieve the overcrowding. Can the Minister not speed up the process?

Mr. Khan: I echo the representations that the hon. Gentleman has made about his constituents' concerns about the overcrowded trains. I can only say what I have already said, which is that we will come back shortly with a revised rolling stock plan. He will be aware of the fantastic announcement made by the Secretary of State in July about electrifying the Great Western line and the line between Liverpool and Manchester. That has a knock-on effect on the numbers of diesel trains and EMU—electric multiple unit—trains that are needed. I hope to come back in due course with an announcement that will, I hope, alleviate some of the issues that the hon. Gentleman has raised.

Mr. Andrew Turner: By the end of 2016, when the current South West Trains franchise expires, the rolling stock on the Isle of Wight will be almost 80 years old. What plans does the Minister have to ensure that new rolling stock will be provided in the new franchise agreement?

Mr. Khan: It is important that we consult the hon. Gentleman and his constituents about what the needs and demands are locally. One of the benefits of committing ourselves to £15 billion of investment in our railways over the next five years is that there is a possibility of his residents getting new rolling stock. If we followed the suggestions of others—that we should cut the amount that we invest in our railways this year, and then cut it in crude terms over the next five years—there would be no chance at all of his constituents getting new rolling stock.

Mr. Swayne: During this fast of Advent, it behoves us all to show some humility. Were the Transport Select Committee not right when they said in 2008 that the Government do not have

"adequate and appropriate expertise to handle such vital strategic decisions in-house, and to do so efficiently"?

Go on—they were right, were they not?

Mr. Khan: I always enjoy interventions by the hon. Gentleman. I will answer his question in the spirit in which it was asked. Phase 1 of this Government's job was to repair and make up for the chronic under-investment of the previous couple of decades—a consequence of

what his Government had done. He will also have seen us make up for the botched privatisation that his Government were in charge of, which some might call fixing the roof while it was leaking. Phase 2 of this Government's reformation will lead to growth and increased capacity. I am sure he will join me in welcoming that approach, rather than the savage cuts that his leader wants to make.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I welcome the Minister's renewed commitment to the 1,300 carriages. Can I take it from his answer that the Northern Rail franchise will get the 186 carriages that it was promised some time ago?

Mr. Khan: The Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole), has already met Greater Manchester integrated transport authority, and we are working with Northern Rail and the passenger transport executives to see what their demands are. We are also looking at the appraisals model to ensure that we get phases 1 and 2 sorted out, so that my hon. Friend's constituents can get the investment that other parts of the country have received.

Mr. Andrew Dismore (Hendon) (Lab): My right hon. Friend will be aware that 23 Electrostar trains have been introduced since the start of this year on the First Capital Connect Thameslink service. However, those trains are of limited utility if there are not enough drivers to drive them because of the current industrial action. Will he give us an update on what is being done to sort out the dispute between FCC and ASLEF, the train drivers' union, and on what he is doing to try to ameliorate the situation?

Mr. Khan: My hon. Friend will be aware, not just from his previous life but from his current life as a Member of Parliament, that negotiations are taking place between the train operating company First Capital Connect and the trade union ASLEF. I am pleased to tell him that my understanding is that the two sides met this week. I am an optimist by nature, so I am hoping that those negotiations and discussions will lead to a fruitful resolution of the drivers' action. As my hon. Friend knows from his own constituency interest, the impact on passengers is huge. At a time when we are investing in our railways and in new rolling stock, it is clearly perverse if the actions of individuals can deter people from using the trains.

David Taylor (North-West Leicestershire) (Lab/Co-op): Some time ago, our right hon. Friend the Member for Ashfield (Mr. Hoon), who was one of the last commoners to be Secretary of State for Transport, announced a substantial order for high-speed rolling stock, which was associated with the Hitachi consortium. Will my hon. Friend tell us the current position on this particular project as two of the potential sites for assembly are in North-West Leicestershire, and this would have a very significant social, environmental and economic effect on my constituents?

Mr. Khan: My hon. Friend is right to remind the House of this Government's record of investing in infrastructure and new rolling stock. He will have seen the fruits of High Speed 1, which has benefited transport in the southern part of the country. He will also have seen—and, I hope, ridden on—the Javelin train. As far as Hitachi is concerned, he will be pleased to know that I hope to come back in due course to provide an update on our rolling stock. The announcement to electrify the Great Western line and the Liverpool to Manchester line has had an impact on our inquiries. I know that my hon. Friend will be pleased with the news when I return for the update shortly.

Norman Baker (Lewes) (LD): With passenger numbers at record levels and growing further, and overcrowding a problem throughout the network—not least during the evening peak to Lewes—it is disappointing that only 543 carriages have so far been ordered. Will the Minister confirm that the rolling stock plan he has talked about will include a commitment to order the rest of the 1,300 carriages before the election—just in case there is going to be a Conservative Government committed to 10 per cent. cuts?

Mr. Khan: I have a revelation to make, Mr. Speaker. If you were to draw a line graph from 2007, when there was zero rolling stock, to the middle point up to 2014, when we expect a rolling stock of 1,300, you will find that we are not on schedule but ahead of schedule, with more rolling stock being ordered. I am confident that with a combination of a cascaded rolling stock and the new stock, the hon. Gentleman will see his wishes delivered. He is right to point out that if we followed the advice of some, there would have been massive cuts this year and savage cuts in the next few years.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Was the hon. Member for Glasgow, South (Mr. Harris) wrong when he promised that the 1,300 carriages would be in addition to Thameslink, or was the Under-Secretary of State for Transport, the hon. Member for Gillingham (Paul Clark), wrong when he made it plain that the total number of carriages to be ordered was far fewer than 1,300 unless one includes in it the Thameslink programme?

Mr. Khan: I told myself that I was going to be charming and nice at the Dispatch Box. All I can say to the hon. Lady is that she should read the White Paper of July 2007; she should read the update produced in January 2008; she should then read the update we produced in July 2008—and if she is still not clear, she can write to me so that I can write back to provide the clarity she needs.

Mrs. Villiers: Why can the Minister not admit that the Government got their numbers wrong and that incompetence and excessive micro-management is holding up the carriages that four successive Secretaries of State have now promised? Will he admit that millions have been spent on diesel carriages and rolling stock, which the Government then decided they did not want; and will he admit that the new Thameslink carriages are now running around a decade late, which is why it is not surprising that they no longer call it Thameslink 2000?

Mr. Khan: I am happy to talk about numbers. In 2009-10, we secured from our Chancellor in the comprehensive spending review an increase of 2.25 per cent. expenditure on transport. Had we taken the advice of others, including the shadow Chancellor and the

Leader of the Opposition, the increase would have been just 1 per cent.—effectively a cut in 2009-10 of £840 million. That would have meant no chance of new rolling stock, no chance of investment in Crossrail and no chance of any announcements on electrification. Over the next period, we have a choice. We have a choice to invest in High Speed 2 and we have a choice to continue to invest in the electrification of the Great Western line and the Liverpool to Manchester line, which will have knock-on effects on rolling stock. On the other hand, we have a choice to listen to the advice of some who want to cut savagely from the amount we invest in transport, which will mean more overcrowding, less investment and—

Mr. Speaker: Order. I think we have got the gist from the Minister of State.

Railway Stations (North-West)

3. **Tony Lloyd** (Manchester, Central) (Lab): What steps he is taking to improve conditions and services at railway stations in the north-west. [303666]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): We have agreed with Network Rail that it will make up to £50 million available in the near future to tackle improvements at the 10 key stations identified in the stations champions report as being in most need of improvement, seven of which are in the north-west.

Tony Lloyd: Will my hon. Friend remind Network Rail from time to time that the overall experience of train travel includes not just the journey itself, but arrival at and passage through the stations? Some of our stations in the north-west have been badly neglected in recent years. Victoria station in Manchester is to be significantly upgraded as a result of actions by the Department, which is welcome news, but will my hon. Friend ensure that a programme of improvement is implemented in all our stations in the north-west?

Chris Mole: I assure my hon. Friend that there are a number of Government initiatives committed to station improvements. They include the national stations improvement programme, a five-year initiative worth £150 million for the modernisation of approximately 150 medium-sized stations, and—in the north-west—a £1.5 million upgrade of Ormskirk station, to which £500,000 has been contributed by the national stations improvement programme. The Access for All 10-year programme, worth £370 million, will improve access to stations, and the Access for All small schemes fund will enable more than 1,000 stations to benefit from about £6 million a year.

Manchester Victoria is a potential candidate for the national stations improvement programme funding. The planned improvements include cleaning and redecorating passenger seating—

Mr. Speaker: Order. I am extremely grateful to the Minister, but we must make timely progress down the Order Paper.

Sir Nicholas Winterton (Macclesfield) (Con): At Macclesfield station there is an overbridge leading to the London platform. The steps up and the steps down ought to be fully enclosed, because those seeking access to the London platform can get absolutely soaked. Will the Minister attend to that, in order to ensure that a station that is a major profit centre is properly equipped for all who need access to the London platform?

Chris Mole: I am sure that the train operating company that runs services through Macclesfield station will want to ensure that the environment is as pleasant as possible in order to attract as many passengers as possible to the service. Yesterday I was able to inaugurate the opening of a bridge at Southampton airport station which has received £2 million from the Government under the Access for All programme, and it did indeed include a very nicely covered bridge.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I was pleased to note that Liverpool Central station features on the list of stations to be improved, but has my hon. Friend seen the report "Better Rail Stations", which was recently submitted to the Secretary of State by Chris Green and Professor Sir Peter Hall? It describes a vision of the development of major hubs where high-speed and local rail services can operate together and be linked with fast bus services, offering seamless travel.

Chris Mole: We entirely back the idea of developing stations as interchanges with other modes of transport. The whole idea of station travel plans was endorsed by the station champions. The Association of Train Operating Companies is leading a programme of 24 pilot schemes covering 31 stations, and the action plans were formally launched on 19 June.

Passenger Security

4. **Ann Winterton** (Congleton) (Con): What steps he is taking to improve levels of personal security for passengers using public transport. [303667]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): We are committed to improving the personal security of public transport passengers. For example, new rail franchises now specify minimum levels of investment in public safety, and we are encouraging crime and disorder reduction partnerships to work with the transport industry in helping to tackle transport crime.

Ann Winterton: I commend the work of the British Transport police, for the simple reason that they have to look after not only the personal security of rail passengers, but station property. There is no comparable organisation to deal with bus and coach travel. I should like Congleton station to be improved, with better lighting, CCTV and eventually—we hope—customer information screens. When representatives of the British Transport police attended a meeting that I had convened, I discovered that there had been little liaison with the local constabulary. Will the Minister consider that point? It is important for the two sides to get together to deal with the problems.

Paul Clark: I could not agree more. The situation the hon. Lady describes serves as a good example of why it is important that there is work going on at the local level through programmes such as the crime and disorder

reduction partnership, which can bring together all those players in making sure that crime levels continue to decrease on our public transport, and particularly at railway stations. I, too, commend the work of the BTP.

Sir Peter Soulsby (Leicester, South) (Lab): In commending the work of the BTP, I hope the Minister will recognise that, in terms of numbers, over much of the rail network its resources are very stretched. Despite increased funding, its staff find they are having to cover vast areas. Will the Minister talk to ministerial colleagues about ways in which BTP funding can be enhanced and its work can be improved?

Paul Clark: Obviously, I take every opportunity to work with colleagues to improve the position of the BTP and those involved in security at our stations. In 1997, there were just over 2,100 BTP officers, whereas there are now 3,200 police and community support officers patrolling our network. Obviously, the budget is a matter for the BTP authority.

Mr. Nigel Dodds (Belfast, North) (DUP): How effective does the Minister think CCTV is in combating antisocial, as well as violent, behaviour on public transport?

Paul Clark: All the research on this matter and the consultation that is conducted with consumers and customers of the public services show the importance of CCTV in deterring antisocial behaviour and in increasing safety, and the feeling of being safe, at stations. The number of CCTV cameras has increased, and they are now in 50 per cent. of overground stations.

Seafarer Training and Employment

5. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What recent representations he has received on seafarer training and employment; and if he will make a statement. [303668]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I am grateful to the maritime trade unions and the Chamber of Shipping for submitting joint maritime training proposals, and I am aware of the strength of feeling on this matter. However, the proposals would require significant additional investment at a time of increasing pressures on Government resources, which is why we need to consider all elements of the proposals very carefully.

Mr. Carmichael: I am grateful to the Minister for that answer, and I am aware that his Department has been carefully considering these proposals since it first received them from the unions in April 2007. He recently referred to them as being open-ended. I can tell him that the unions are happy to talk about limits to define these proposals, but they would need to have an answer from the Department first.

Paul Clark: I appreciate that. Actually, the latest proposal was submitted on 30 March this year. I have had regular meetings with Nautilus International, the Chamber of Shipping and others concerning support for training and employment opportunities for seafarers. I want the UK's position to continue to be strong. I also want to build on these opportunities, and I am currently considering how we can progress towards exactly the same goal that the hon. Gentleman clearly has, as do those in the industry.

A417

6. **Mr. Laurence Robertson** (Tewkesbury) (Con): What recent discussions he has had with the Highways Agency on improvements to the A417 Cowley to Brockworth road in Gloucestershire; and if he will make a statement. [303669]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): The proposed A417 Cowley to Brockworth improvement scheme has not been included by the south-west region in its forward programme of priorities up to 2019 contained in its regional funding advice submitted earlier this year, and I have accepted that advice. As the major scheme is not being pursued, the Highways Agency has commissioned a study to identify what smaller-scale, more affordable measures might be pursued to improve the performance of the road. I expect the study to report later next year.

Mr. Robertson: I thank the Minister for that response, but he will be aware that this issue has been dragging on for probably the best part of 20 years, having been ably taken up by my hon. Friend the Member for Cotswold (Mr. Clifton-Brown)—the road runs through his constituency and into my area—and we are now told it will not be considered for the next 10 years. This is a major disappointment for the residents of the area, and for the people who are injured on those roads and who queue on them every single day, not just in the rush hour. Is there nothing the Minister can do to bring about the much-needed improvements to that road?

Chris Mole: As I said in my initial answer, the Highways Agency is committed to ensuring that the road is as safe as possible until regional colleagues are able to identify the scheme for inclusion in its programme.

Mobile Phones (Road Deaths)

8. **Andrew Selous** (South-West Bedfordshire) (Con): What his most recent estimate is of the number of road traffic accident deaths which have been caused by driving while using a hand-held telephone in the past three years. [303671]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): Contributory factor data reported in the statistical returns to the Department show that "driver using a mobile phone" was a factor in 19 deaths in road accidents during 2008—the returns do not distinguish between hand-held or hands-free phones. However, there has been no formal estimation of the numbers of deaths.

Andrew Selous: Frankly, I think this is an area in which the Government need to raise their game a bit. What action is the Minister taking in respect of the police, who seem very focused on motorists who abuse the speed limit but do not always seem to take seriously the issue of people driving with phones stuck to their ears, often as they go around dangerous corners? What more will the Government do?

Paul Clark: Tackling distraction and excessive speeding is important if we are to ensure that the number of people killed and seriously injured on our roads continues to decline. I should point out that there were 135,000 prosecutions and fixed penalties issued in 2007 for hand-held phone offences, those enforcement actions being undertaken by the law enforcement authorities—the police.

Jessica Morden (Newport, East) (Lab): One of the most watched YouTube clips around the world this summer was a short film called "Cow", which was commissioned by Gwent police and graphically illustrated to young people the dangers of texting while driving. If the Minister has not seen the film, will he do so? Does he agree that we could learn lessons from this hard-hitting, well-targeted campaign?

Paul Clark: Most certainly. Invariably, getting the message across about the implications of certain actions in cars is fundamental. I congratulate Gwent police on what they have achieved, and we need to continue exactly that sort of work. The pre-driver programme that we are looking at for 14 to 16-year-olds will seek to change behaviour; we also recognise the importance of getting people to understand that once they are behind the wheel they are in control of a very important vehicle.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): This summer, the Government spent £2.3 million on their controversial "spooky eyes" drug-driving campaign, suggesting that police officers can easily spot a person who has taken drugs. However, every day we see drivers openly using mobile phones, which is a much more obvious offence. Despite the tougher penalties, is the Minister concerned that drivers think they can get away with this dangerous behaviour unless they bump into another vehicle?

Paul Clark: Both are important. I am delighted that the hon. Gentleman drew attention to a hard-hitting anti-drugs campaign. Since its launch in August, we have had substantial feedback about its effect. Unfortunately, he clearly did not listen to the response that I gave to his Front-Bench colleague about the police undertaking the enforcement regime correctly and their rightly looking at both the distraction caused by mobile phones and speeding.

Concessionary Bus Fares

9. **Natascha Engel** (North-East Derbyshire) (Lab): What recent representations he has received on the national concessionary bus fares scheme; and if he will make a statement. [303672]

The Minister of State, Department for Transport (Mr. Sadiq Khan): I have received many representations, including those from my hon. Friend, on the concessionary travel scheme recently, mainly in relation to funding issues. As she will know, I have recently launched a consultation regarding the concessionary travel special grant funding for 2010-11. Representations have been received from Members of both Houses, local authorities, councillors and members of the public.

Natascha Engel: I thank my right hon. Friend for that answer. The reason why the campaign to safeguard this scheme has been so important is that the scheme has meant so much to the over-60s, especially in such very rural places as North-East Derbyshire. Will he use this opportunity to put on the record a guarantee for this scheme under any future Labour Government?

Mr. Khan: May I put on the record a recognition of the work that my hon. Friend has done, and not only in lobbying me? I remember that at the previous Transport oral questions she asked a similar question about access issues for her constituents on rural buses. The £1 billion that goes towards concessionary bus travel in off-peak hours means that 11 million older and disabled people in England can use buses at off-peak times. Had we accepted the advice to make a cut in this year's budget from a 2.25 per cent. increase to a 1 per cent. increase, that would have led to cuts. We will not means-test this, or cut it as some would want us to do.

Mr. Philip Hollobone (Kettering) (Con): Will the Minister of State congratulate Conservative-controlled Kettering borough council, of which I am a member, which has extended the concessionary fare scheme to cover peak-time travel, too?

Mr. Khan: May I, through the hon. Gentleman, commend the council for its use of that discretionary element of the scheme? Other parts of the country have also, on a discretionary basis, increased the coverage that they provide and have found the means within their coffers to do so. I congratulate them on that.

Mr. David Chaytor (Bury, North) (Lab): Does not the enormous success and popularity of the pensioners' concessionary fares scheme lead the Government to conclude that we must now extend the national concessionary fare scheme to young people? From the point of view of reducing congestion, reducing emissions, improving road safety and reducing car dependency, is that not the next step in a sensible, integrated green transport policy?

Mr. Khan: Mr. Speaker, I know that you were present during the Youth Parliament debate that took place here a few Fridays ago, although some did not want it to take place in the Chamber. My hon. Friend will be pleased to know that that was one of the key issues raised by the young people who came to Parliament. I met young people around the country on my bus tour and this was one of the key issues that they raised. He will appreciate the pressures on our budget, but we keep these things under review all the time.

Stephen Hammond (Wimbledon) (Con): The Minister will remember that we urged the Government to consider the distribution of funding arrangements for the scheme. Indeed, we welcome the commitment to a review. However, we cannot welcome the fact that the Minister has arbitrarily reopened the three-year settlement. His proposals would savagely penalise London and savagely penalise the constituents of Tooting. I urge the Minister yet again, as London Councils has, to reconsider that proposal, which will savagely hit the voters of London. I am sure that the voters of Tooting will savagely remember that.

Mr. Speaker: Order. I think there was a question in there somewhere, but I did not find it.

Mr. Khan: The hon. Gentleman is a mate—a savage mate—but I have to say that there are dangers in trying to face both ways. I caution him against doing so. We know, because we have seen the London Councils minutes, that in 2008-09 the councils spent £5 million on off-peak travel caused by the additional intake of out-of-London commuters. We gave them £55 million. They did not send us a cheque for the difference. We know from discussions that I have had with the Tory chair of the transport and environment committee that next year they will need £18 million, with the TfL agreement. We are giving them £30 million. I look forward to receiving a cheque from the Tory chair for the difference.

Chris Ruane (Vale of Clwyd) (Lab): Could the Department work more closely with the devolved Administrations to improve and increase free bus travel across borders?

Mr. Khan: My hon. Friend asks an important question. At the moment, we are unable to have a harmonious system across borders because, as he will appreciate, these matters are devolved. Councils near the borders have made arrangements to reach agreements with councils on the other side of the border. He will appreciate that if we were to harmonise cross-border travel with Scotland and Wales, the cost would be extreme, but we will keep this under review and we encourage local authorities to reach agreement where they can.

Train Operating Companies (East Anglia)

10. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet representatives of the train operating companies serving East Anglia. [303676]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I will be meeting representatives of National Express East Anglia on Monday 14 December 2009 at Liverpool Street station in London.

Mr. Bellingham: Will the Minister turn his attention to the First Capital Connect service from King's Cross via Cambridge to King's Lynn? Is he aware that, in spite of recent improvements, there is still substantial overcrowding on trains leaving London during the rush hour? Furthermore, does he agree that a route of such importance should have refreshment trolleys on the trains? Will he find time to join me on the route to see the problems for himself?

Chris Mole: The hon. Gentleman's Front-Bench colleagues accuse us of micro-management, yet he seems to be asking us to intervene to specify what should be on the trolleys on trains on the First Capital Connect routes. The hon. Member for Chipping Barnet (Mrs. Villiers) seems to want to spend her time in the future specifying how many Mars bars there should be. For us, it has been about ensuring that we have the capacity on that line, which is why we have been investing in the Thameslink programme.

Bob Russell (Colchester) (LD): I wish the Minister well with his meeting on Monday. I am pleased to say that I had one with National Express East Anglia on Tuesday afternoon. In his meeting on Monday, will he try to get confirmation about, and to firm up, the promises and pledges that there would be improved rail services, more trains and more carriages on the line from Ipswich to London Liverpool Street via Colchester, and about the improvements to Colchester station?

Chris Mole: I am very much aware that improvements have been made to the signalling at Colchester station to ensure that we can get the right capacity of vehicles through. I hope that on 14 December we will be able to make an announcement about the additional rolling stock being delivered through the high-level output specification, which will bring 120 new vehicles on to the National Express East Anglia network.

Northern Rail Franchise (Rolling Stock)

11. **Dr. John Pugh** (Southport) (LD): What the timetable is for provision of new rolling stock for the Northern Rail franchise. [303677]

The Minister of State, Department for Transport (Mr. Sadiq Khan): We are in discussions with the Northern Rail franchise and the passenger transport executives on a first phase of additional rolling stock. We will make an announcement in due course.

Dr. Pugh: I thank the Minister for that slightly disappointing answer. We have already had a number of bids for rolling stock from different regions of the UK, but the 142s on the Manchester-Southport line are some of the oldest, most unsafe and, at times, most overcrowded stock in the network. Surely, if anything is a priority, this is.

Mr. Khan: Of all the rolling stock interventions, Northern is the most complex for a variety of reasons, not least because five major cities are involved and because of the interrelationships between the different cities. I have referred before to the discussions that the Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole), has had with the integrated transport authority and passenger transport executives in the region. The hon. Gentleman will be pleased to know that we are working more closely with the PTEs and Northern to form a joint undertaking of the predictions, which will include his constituents and his area, as well as on the appraisal process. We hope that there will be good news around the corner.

Topical Questions

T1. [303684] **Mr. Peter Bone** (Wellingborough) (Con): If he will make a statement on his departmental responsibilities.

The Minister of State, Department for Transport (Mr. Sadiq Khan): Since our last Question Time in October, my Department has made a number of significant announcements, including today, about winning bids from a £30 million fund for green buses that aims to encourage and help bus operators and local authorities

to buy new low-carbon buses to reduce carbon dioxide emissions. We have also made announcements about a further £30 million programme to develop electric car-charging points in six leading cities across the country, and about a review by Sir Peter North of the law on drink and drug driving, for which a report is expected in March 2010.

Mr. Bone: I am sure that the Minister shares my horror that, this year, the number of children who were killed or seriously injured while riding their bikes has increased by a third. The Bicycle Helmet Initiative Trust has pointed out that four official websites show children not wearing safety helmets. Is the Minister able to tell the House when the report on the effectiveness of cycle helmets will be published?

Mr. Khan: I commend the hon. Gentleman for his track record on this important issue. He moved a ten-minute Bill on this issue, and he is also, like me, the father of young children who ride bicycles. On the research that he referred to in his question, he will welcome the fact that we hope to receive some response by the end of this year about the effectiveness of cycle helmets. I am happy to meet him to discuss how we can move much faster in this important area, because I am as impatient as he is to see progress to ensure that zero young people are injured—or, of course, killed—on our roads as a consequence of riding their bikes.

T6. [303689] **John Robertson** (Glasgow, North-West) (Lab): Will my hon. Friend tell me what conversations he has had with his counterpart north of the border, particularly about the Glasgow airport rail link to Glasgow city centre? That proposal was part of the bid for the 2014 Commonwealth games and helped us to win the bid and be the city that will hold the games.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): My noble Friend Lord Adonis has good relations with his counterparts in the Scottish Government, but this is a devolved matter. My hon. Friend the Member for Glasgow, North-West (John Robertson) might be interested to know that in developing a sustainable transport strategy for the rest of the UK, one of our priorities is connecting the country's major cities with international gateways such as ports and airports, but it appears that the current Scottish Executive do not have the same priorities.

T2. [303685] **Mr. Andrew Turner** (Isle of Wight) (Con): Since 2007, the Driving Standards Agency has been looking for practical motorcycle testing facilities on the Isle of Wight. My constituents still face a long and costly journey to the mainland to be tested. The EU allows that test to be carried out on the road, so why will the Government not allow appropriate island and rural roads to be used?

The Parliamentary Under-Secretary of State for Transport (Paul Clark): We have endeavoured to ensure that the vast majority of people are within a recognised mileage or distance travel limit of a recognised centre. Of course, I recognise that there will be some difficulties in achieving that and I believe that I have corresponded with the hon. Gentleman on the matter. However, we want a safe environment for the training required to ensure that people are not killed or seriously injured on our roads. It is right that we continue our work to ensure that we have the right centres for that training.

T7. [303690] **Fiona Mactaggart** (Slough) (Lab): Slough contributes £8 billion a year to Britain's gross domestic product. Its station is the fourth busiest on the Great Western main line, yet the recent rail utilisation strategy proposes no improvement to our appalling commuter rail service. However, buried in it is a tiny opportunity to connect the Great Western main line directly from the west to Heathrow. Can the Minister please put that proposal higher up the agenda? Unless we have a rail connection to the airport from the west we will lose opportunities to build Britain's economy.

Chris Mole: The Thames Valley local authority has identified a case for direct rail access to the airport from the west, particularly from Slough, Maidenhead and Reading, but one of the constraints identified by the study was a lack of electrification on the Great Western main line. The Government's announcement earlier in the summer has had a positive impact on the case for western rail access to Heathrow. We look forward to the local authorities and BAA taking that into account in their further assessments of airport surface access requirements. However, I am more than happy to meet my hon. Friend to see what we can do to facilitate such a development.

T3. [303686] **Mr. Edward Vaizey** (Wantage) (Con): A recent report by the Association of Train Operating Companies identified Wantage Road station in my constituency as one of just seven stations in the country that could be reopened. Will the Minister support me in pressing Network Rail to undertake a further detailed evaluation to reopen the station, with a view to getting it into Network Rail's investment programme for 2014-19?

Chris Mole: It is primarily for local authorities to give the lead on what local stations are needed for local transport services. We would expect Oxfordshire county council to work with Network Rail and the train operating companies to see what trains could call there. Any station that would require funding from the council would need to demonstrate that it would recover its costs from additional fares. We would then look at taking it into the franchise process.

Mr. Lindsay Hoyle (Chorley) (Lab): On question 3, the Minister quite rightly set out the suggested improvements to Manchester and Preston railway stations. They are on the line between Blackpool and Manchester that goes via Chorley, which is known as the misery line because of the overcrowding and undercapacity that exists on it. Does he agree that the line is in desperate need of electrification and the right rolling stock?

Chris Mole: When we made our announcement in the summer, we committed to looking at further potential schemes for electrification around the country. My hon. Friend has entirely correctly identified the interplay between electrification and rolling stock on particular sections of track. When those requirements come together, we will get the benefits from having cleaner and cheaper electric trains to replace the diesels that might currently

exist. We are still reviewing some of the lines in the areas that he is talking about, and we hope to report shortly.

T4. [303687] **Mr. Henry Bellingham** (North-West Norfolk) (Con): The Minister may not be aware, but last week I attended a meeting of residents from the centre of King's Lynn who are very concerned about road safety and the speed of traffic along King street and Queen street, both of which have speed limits of 20 miles per hour. Will he confirm that, under the highways regulations, it is possible to have 20 mph repeater signs, including flashing fibre-optic signs, on such roads?

Paul Clark: One of the issues that we have been looking at in reviewing the road safety strategy has been taking forward guidance to local authorities. We want to allow them to reduce speeds, where they believe that is relevant, in predominantly residential areas. The use of the signs to which the hon. Gentleman has referred is certainly permissible, and they are used.

Hugh Bayley (City of York) (Lab): The Government deserve praise for a smooth transfer from National Express to the new company, East Coast. I would particularly like to thank my right hon. Friend the Minister of State for giving a guarantee back in the summer that the company headquarters would remain in York. Now that he is looking at franchise arrangements for the longer term, will he ask his officials to consider the case for maintaining York as the headquarters in the terms of the franchise put out to contract?

Mr. Khan: With such an advocate for York as my hon. Friend, I cannot see the officials reaching any other conclusion. I am happy to arrange to meet him so that he can lobby me once again, as he has been doing so effectively since earlier this year.

T5. [303688] **Simon Hughes** (North Southwark and Bermondsey) (LD): Given that Ministers forced the public-private partnership on London Underground, will they now call for a report from Transport for London on why so many underground routes are closed every weekend for engineering work, disrupting the plans not just of Londoners but of people from all over Britain and further afield? It is really not helpful to London's tourism and economic health.

Mr. Khan: The hon. Gentleman, who believes passionately in devolution, will know that powers to run the tube have passed to the Mayor of London. He will be aware that TfL and the Mayor are in dispute with Tube Lines about closures caused by signalling changes on the Jubilee line. I will ensure that his comments are passed on to the Mayor, TfL and Tube Lines as soon as possible, and I will report back to him if there are any developments in that regard.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Association of Train Operating Companies recently said that the risks that it takes on in providing rail services to the public should be reduced. Does the Minister agree that with annual ATOC profits approaching £1 billion from a public subsidy of £1.5 billion, we should be renationalising rail passenger services rather than tinkering with an already wildly generous franchise mechanism?

Chris Mole: We have finally got some stability into the franchising system. The National Audit Office commended the Government on the operation of the franchising arrangements. On that basis, it would not be helpful, at a time of record passenger numbers on the railways, to start disturbing the franchising arrangements.

T8. [303691] **Ann Winterton** (Congleton) (Con): Are the Government concerned at all about driving standards in this country, particularly appalling lane discipline on motorways? Will the Minister consult with that excellent organisation, the Institute of Advanced Motorists, to see how driving standards could be raised, for the personal security and safety of those driving and of others on the roads?

Paul Clark: We always take every opportunity to review the standards and the training provided—they are constantly under review. I am delighted to be able to tell the hon. Lady that I will start having those discussions with the Institute of Advanced Motorists at lunch time, when I will address its annual lunch.

WOMEN AND EQUALITY

The Minister for Women and Equality was asked—

Human Trafficking

1. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What recent discussions she has had with the Secretary of State for the Home Department on the effect on trafficked women of the proposed closure of the Metropolitan Police's human trafficking unit. [303692]

3. **Mr. Peter Bone** (Wellingborough) (Con): What her latest estimate is of the number of women who have been trafficked (a) into the UK and (b) from one part of the UK to another for the purposes of sexual exploitation in the last 12 months. [303694]

The Minister for Women and Equality (Ms Harriet Harman): There are regular discussions between Equality Ministers and ministerial colleagues in the Home Office on the question of human trafficking. Trafficking is by nature a covert activity, so it is difficult to be precise about the numbers. The Association of Chief Police Officers, the United Kingdom Human Trafficking Centre and others are on course for an estimate of the number of women trafficked into the UK for sexual exploitation to be made available inearly 2010.

Mr. Pelling: I am very concerned about the proposed closure of the trafficking unit in the Met, as particularly specialised skills are involved in the unit. What is the Minister's view on the issue, particularly bearing in mind that I have had a letter from Cressida Dick saying that it is inevitable that the change will take place because of reduced funding from the Government to the Met? That certainly came as a surprise to me, as I

thought that the Government had been very generous to the Metropolitan Police Service in terms of funding via the Greater London authority. She says that the—

Mr. Speaker: Order. The hon. Gentleman should resume his seat. We want to get off to a good start at this session. The question is simply too long. I will ask the Minister for Women and Equality to respond to the part of it—quite a long part—that she has heard.

Ms Harman: In order to reassure hon. Members that the Government, the Metropolitan police and police forces around the country will be taking strong action to investigate and bring to court those engaged in human trafficking for the purposes of exploitation, I should explain that human trafficking includes the offences of breaching immigration rules, rape, assault, kidnap, abduction, fraud and serious organised crime. A unit was set up in the Metropolitan police to focus on the new context of human trafficking, which involves all those crimes. Training is under way for both prosecutors and police, and we have the UK Human Trafficking Centre. A unit in the police was funded especially to upskill and improve the understanding of the Metropolitan police so that the whole issue could be mainstreamed. Funding has been made available for that, and it continues.

Mr. Bone: The Leader of the House has shown her passion and care on that issue, but does she share my concern that although the police are doing very well at breaking up brothels that use people who have been trafficked into this country, the real problem is at the borders? We should tackle that and try to stop it, but we do not seem to be doing so very successfully. Could we do more at the borders?

Ms Harman: We are working internationally, across Europe, through the UK Border Agency, which is working with its counterparts, to identify victims of trafficking. We have worked through Eurojust, which is the European network of prosecutors; and we have worked through European police forces. There is international action going on; it is by definition an international crime. There is also work taking place to freeze assets internationally, because sometimes many more than one or two countries will be involved. This is serious and organised crime; it is international; and we are all working together, as well as domestically, to track down the perpetrators and protect the victims.

Fiona Mactaggart (Slough) (Lab): But the unfortunate truth is that it is very hard to investigate and successfully prosecute cases of trafficking and sexual exploitation, and the Metropolitan police unit was making inroads. Will the Minister confirm that if the success in increasing the number of prosecutions does not continue, the decision will be revisited?

Ms Harman: I pay tribute to the police and prosecutors for bringing to court so many cases in which the victim was an unbelievably vulnerable victim of human trafficking, but still the authorities managed to support them to give evidence and bring the traffickers to justice. Since the introduction of the Sexual Offences Act 2003, there have been 113 convictions for human trafficking offences, but beyond that there have been many more convictions for offences such as rape, fraud and assault. The police and prosecutors are making good progress on bringing offenders to justice, and that will protect victims. Obviously, we keep—

Mr. Pelling: So why close the unit?

Ms Harman: Because we want to ensure that these issues are mainstreamed. This is not some separate business for some separate unit; this is serious and organised crime. Incidentally, the Serious Organised Crime Agency works internationally as well.

Lynne Featherstone (Hornsey and Wood Green) (LD): But dealing with trafficked women is a very specialised procedure, and the issue is not just about trafficked women, either. What about forced labour and child trafficking? I can get my head around the Met's clubs and vice unit dealing with that aspect, but what on earth will happen to the very specialist skills on the very special aspects surrounding trafficked women and children?

Ms Harman: I think that there are particularly specialised skills in terms of supporting the victims, and that is why we maintain financial support for the POPPY project, the Eaves housing charity and other organisations that support victims. However, all those involved in investigating serious and organised crime need to be aware. When I was Solicitor-General, I saw one case in which a woman had escaped from a brothel where she had been held captive and, effectively, raped 10 times a day—day in, day out, week in, week out. She found her way to a local police station, and even though she hardly spoke any English they understood and realised what had happened to her. We have to ensure that every police officer in every police station understands this issue. She cannot be expected to find her way to a specialised unit. This has to be understood across the board and mainstreamed, and we will give all financial support to the police and other authorities to ensure that that happens.

Mrs. Theresa May (Maidenhead) (Con): We all agree that human trafficking is the modern-day slave trade and remains a prevalent form of violence, particularly against woman and girls. There is a need to take strong action against trafficking. Does the Minister agree that reports such as the recent one from London Metropolitan university, which downplayed the extent of trafficking and was based on asking a very small number of women whether they thought that they had been trafficked—hardly the best basis for evidence—do not help to make the case for action? The case for ensuring that every police officer is suitably trained and understands human trafficking and related issues would be far better made if we raised awareness generally about the extent of the problem. What are the Government doing to ensure that we do just that?

Ms Harman: I wholeheartedly agree with the right hon. Lady. We have to make it absolutely clear that although we do not know the exact numbers, we have never based our case for concern on the overall numbers; it is enough if even one woman has been kidnapped, brought across borders to this country and bought and sold like a modern-day slave. When I was Solicitor-General, I came across one case in which two gangs brought a girl to a supermarket car park and bartered over her;

she was sold from one gang to the other. If there is even one case such as that—and there are many more—that is enough for us to take tough action.

I take this opportunity to deplore the reporting in *The Guardian*; it sought to imply that because we did not know the specific numbers, or because some estimate had been wrong, somehow we were on the wrong track. Those involved should be ashamed of themselves.

Equal Pay

4. **Mr. Edward Vaizey** (Wantage) (Con): What progress the Equality and Human Rights Commission has made on developing a set of metrics for reporting on equal pay. [303696]

The Solicitor-General (Vera Baird): Given that women are, on average, still paid 22 per cent. less than men 40 years after the Equal Pay Act 1970, we need greater transparency about pay structures to find out what is happening in organisations so that we can tackle this unacceptable inequality. The Equality and Human Rights Commission is working with business, the unions and others to give comparable, clear figures so that they can be published business to business in places with more than 250 employees. The consultation that it held closed on 28 October and we expect its recommendations soon.

Mr. Vaizey: My understanding was that the Equality and Human Rights Commission would publish its findings on metrics in July and that the measure would come out at Christmas. Will the Minister enlighten us about when it is due?

The Solicitor-General: I saw the commission chairman at an event about positive action on Tuesday; he reassured me that the commission is on the cusp of being ready to publish. I expect the findings to come out in January—about then.

Domestic Violence (Migrant Women)

5. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): What discussions she has had with the Secretary of State for the Home Department on the future of the rule on no recourse to public funds in respect of migrant women who have experienced domestic violence. [303697]

The Minister of State, Government Equalities Office (Maria Eagle): Last week, my right hon. Friend the Home Secretary and my right hon. and learned Friend the Minister for Women and Equality launched "Together we can end violence against women and girls", in which the Government gave a commitment to launch a national pilot to assist victims of domestic violence who have no recourse to public funds because of their immigration status. The pilot, administered by Eaves housing, was launched this Monday.

Dr. Starkey: I very much welcome that news, because I have had direct experience of the issue in my constituency. A woman came over here as the wife of a British citizen, was subjected to domestic violence and sought protection in the local women's refuge, where she was accommodated. However, the refuge got no funding. If the pilot looks as if it is working, may I urge the Minister to roll it out across the country as soon as possible?

Maria Eagle: I reassure my hon. Friend that the pilot has been operating across England and Wales since this past Monday; her constituent would have help on the basis of the pilot. We will, of course, be evaluating the outcomes, and, subject to that, looking to make the arrangements more permanent.

Age Discrimination (Public Services)

6. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What steps she plans to take to reduce the incidence of age discrimination in the provision of public services. [303698]

The Parliamentary Secretary, Government Equalities Office (Michael Jabez Foster): The Equality Bill will prohibit unjustifiable age discrimination in the provision of goods and services and outlaw the discrimination and unfairness that still persists against older people in social care, NHS services and insurance company services. We particularly welcome the work of the Department of Health and the findings of the south-west review of age equality, which will join the anti-discrimination efforts from 2012 onwards.

David Taylor: The Equality Bill is welcome, but older people, our largest vulnerable group, would surely still benefit from the appointment of a commissioner to oversee their access to services across the public sector, an idea promoted in my own private Member's legislation. What discussions has the Minister had with the Equality and Human Rights Commission on how our older citizens can best secure rights in this area equivalent to those of the younger section of the population?

Michael Jabez Foster: The Government are the champions of older people, supported by friends such as my hon. Friend. With our ageing society, it is increasingly important that the voice of older people is heard by Government at all levels. I am pleased to remind my hon. Friend of the role of Dame Joan Bakewell, who has been hugely valuable as an independent voice of older people, as has Michael Parkinson in his role as dignity champion. My hon. Friend can be assured that we will continue to take all advice that we possibly can in ensuring that this becomes a reality.

Philip Davies (Shipley) (Con): How can we have any confidence in this Government on the issue of age discrimination when their much-vaunted Equality Bill still allows employers forcibly to sack people into retirement at the age of 65?

Michael Jabez Foster: As the hon. Gentleman knows, this issue is under active consideration; we will be looking into it later next year, with the support of the Department for Business, Innovation and Skills. It is important to remind him, however, that he voted against the Second Reading of the Equality Bill.

Primary School Teachers (Gender Balance)

7. **Mr. Philip Hollobone** (Kettering) (Con): If she will discuss with the Secretary of State for Children, Schools and Families proposals to increase the proportion of male primary school teachers. [303699]

The Solicitor-General (Vera Baird): There are too few male primary school teachers. Although applications are rising, men still account for only 15 per cent. of registered teaching staff in primary schools. The positive action provisions in the Equality Bill, which passed its final Commons stages last night, will allow employers who wish to do so to choose to appoint a person from an under-represented group, provided that all the candidates are equally qualified to do the job. That would improve diversity in the work force, and it would have an application in the case to which the hon. Gentleman refers.

Mr. Hollobone: Does the Minister agree with the chief executive of the General Teaching Council, Mr. Keith Bartley, who said in September:

"We should focus on attracting the best recruits to teaching—regardless of their gender"?

The Solicitor-General: It is very important, though, is it not, to try to encourage male role models into primary schools? A lot of families do not have fathers at home, and it is incredibly important to have a male role model at that age. The broader welfare of children in our primary schools requires that we try to make some effort to redress this imbalance, and the Training and Development Agency for Schools is doing some of that work. I hope that the positive action provisions will be seriously taken up and used to very good effect.

Business of the House

11.32 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be:

MONDAY 7 DECEMBER—Second Reading of the Energy Bill.

TUESDAY 8 DECEMBER—Opposition Day (1st Allotted Day). There will be a debate on disability benefits for the elderly followed by a debate on local government finance settlement and council tax. Both debates will arise on an Opposition motion.

WEDNESDAY 9 DECEMBER—Statement on the pre-Budget report followed by remaining stages of the Child Poverty Bill.

THURSDAY 10 DECEMBER—Estimates Day (1st Allotted Day). There will be a debate on students and universities and a debate on the relationship between central and local government. Details will be given in the *Official Report*.

[The details are as follows: Students and universities; 11th Report of the Innovation, Universities, Science and Skills Committee of Session 2008-09 HC 170; Government Response—8th Special Report of Session 2008-09, HC 991. The Balance of Power: Central and Local Government; 6th Report form the Communities and Local Government Committee of Session 2008-09, HC33; Government Response—Cm 7712.]

At 6 pm the House will be asked to agree all outstanding estimates.

The provisional business for the week commencing 14 December will include:

MONDAY 14 DECEMBER—Second Reading of the Personal Care at Home Bill followed by proceedings on the Consolidated Fund Bill.

TUESDAY 15 DECEMBER—Second Reading of the Flood and Water Management Bill followed by a motion to approve a statutory instrument relating to the Welsh language.

WEDNESDAY 16 DECEMBER—Motion on the Christmas Recess Adjournment.

Sir George Young: I am grateful to the right hon. and learned Lady for giving us the forthcoming business.

I make no apologies for repeating my call, supported by others, for debates on the pre-Budget report and on Afghanistan. Last week the right hon. and learned Lady offered the fiscal responsibility Bill as providing the right opportunity to debate next week's PBR, but that Bill is not even scheduled to have a Second Reading before Christmas. On Afghanistan, she said some weeks ago that she was "sympathetic" to the idea of a debate, but she has given no firm commitment since. The whole country is talking about these issues except the House, and it is indefensible for her not to provide time for debates. May I make a suggestion? Against the wishes of Conservative Members, the Government are proposing that the House should rise on 16 December. If she cannot find time for those two debates, will she postpone the Christmas recess by just two days so that the House can have the time that it wishes to debate the state of our economy and the welfare of our troops?

May we have a statement by the right hon. and learned Lady on the Prime Minister's claim yesterday that Britain is not the last country in the G20 to leave recession? He clearly stated:

"Spain is a member of the G20 now and it is in recession."—[*Official Report*, 2 December 2009; Vol. 501, c. 1101.]

Given that Britain has been chairing that group all year, he should know that Spain is not a member. Does she believe that the Prime Minister ought to correct his mistake and confirm for the record that Britain is indeed the last country in the G20 to exit recession, or does he not do apologies?

Will the right hon. and learned Lady give us a statement on her handling of the Equality Bill yesterday? As the Opposition repeatedly warned, the time allocated for debate was wholly insufficient. Five groups of amendments, including several Government new clauses, were sent to the other place without any scrutiny. Last week, she told us that the Solicitor-General had tabled all Government amendments a week before Report, but what use is that if there is no time to debate them? It is disappointing that the Leader of the House has not shown more leadership when it comes to her own legislation. What proposals does she have to prevent that from happening again?

May I ask yet again when the Leader of the House will give us the dates for the Easter recess? She chose not to respond to my question about that last week. Why is that particular recess causing such irreconcilable difficulties?

What has happened to our topical debates? Today we have had a summary, as a written statement, of the debates that we have had, but we have had no topical debates for more than a month and no indication of when the next one will be. What has happened to them?

May we have a statement on the appointment of the EU's Economic Commissioner? For weeks the Prime Minister lobbied furiously in Brussels to secure the top post for Tony Blair, and only got his fourth choice as the new High Representative. Meanwhile, the French have quietly assumed control of the internal market, with President Sarkozy gloating that the British are "the big losers". Yesterday, the Chancellor caved in to a decision to establish three EU supervisory authorities for financial services. Given those developments, will the right hon. and learned Lady ensure that the Minister replying to this afternoon's debate on Europe will respond to the growing concern about the threat to one of the country's main generators of wealth and employment?

Finally, will the right hon. and learned Lady join me in condemning the Prime Minister for launching a class war against those with aristocratic connections who were educated at public school?

Ms Harman: The right hon. Gentleman asks for a debate on the pre-Budget report, and he was consistent in asking for that on behalf of the House even before he became shadow Leader of the House. I can tell him that there will be a full day's debate on the pre-Budget report, which will be announced shortly, so we have accepted the representations that he started making when he was on the Back Benches and has now brought to the Front Bench.

As far as the very important question of Afghanistan is concerned, as Leader of the House I take it very much as my responsibility to ensure that the House is informed regularly about the situation, and that does happen. I ensure that there is an opportunity to debate it at large and hold Ministers to account, and that every week that this House is sitting, there is an opportunity for a debate on Afghanistan. [HON. MEMBERS: "What?"] I ensure that there is an opportunity for the House to be informed and hold Ministers to account, or to debate the matter. The country expects Afghanistan to be right at the top of the House's agenda, and it certainly is. May I say what an honour and privilege it was yesterday to attend the remembrance celebration in Belfast cathedral for those from 19 Light Brigade?

I turn to the right hon. Gentleman's points about the recession and the G20. I understand that Spain is in the G20 plus, so the Prime Minister was absolutely right on that point. This Government have taken action to protect the economy in the face of a global financial crisis. As a country that has a large financial services sector that goes back decades, of course we are particularly affected by a crisis in that industry. Of course, as a trading nation, we would be affected by a global crisis that has reduced trade. The truth is that this Prime Minister has not only protected our economy from recession, but actually shaped the international approach, which has made sure that the country goes forward. I must say that had it been left to the policies of the official Opposition, we would not even be beginning to come out of recession, which is what we are doing at the moment—we are moving into recovery.

It is important that the Equality Bill received proper scrutiny from the House. May I just reiterate what happened? The Joint Committee on Human Rights scrutinised the Bill and did a report on it, as did the Select Committee on Work and Pensions. There were 38 hours of scrutiny in Committee, leaving aside evidence taken from the public as part of the Public Bill Committee hearings. There were two Select Committees, then 38 hours in Committee. Report stage is one day in this House unless major new policy is introduced, but no major new policy was introduced between Committee and Report.

I am sure that this will be a disappointment to Opposition Back Benchers, but there was no Front-Bench request for an extra day on Report until the business was announced—*[Interruption.]*

Mr. Speaker: Order. I am sorry to interrupt the Leader of the House, but there is far too much sedentary wittering taking place on the Opposition Benches, both from the Liberal Democrats and from the Conservatives. The Leader of the House must be heard. I want to make progress and I want to get everybody in.

Ms Harman: I totally agree with you, Mr. Speaker. There is much too much sedentary wittering—it should be for me to witter at the Dispatch Box. I am still on my third point about scrutiny and I have many more to go.

There was no new policy in the Government amendments or new clauses. The Equality Bill will now go to the Lords, who will scrutinise it, and any amendments will come back to us. I pay a warm tribute to the Ministers—the Solicitor-General and the Parliamentary Secretary, Government Equalities Office—who took this very important Bill through the House. The Opposition tabled an amendment declining to give the Equality Bill a Second Reading and abstained on Third Reading. The Tories are not and never will be the party of equality.

We have not even got to the Christmas recess, so I do not know why the shadow Leader of the House keeps on asking about the Easter recess. I thought he was against recesses, yet he keeps calling on me to announce the Easter recess. It will happen all in good time and in due course.

As far as the European Commissioner is concerned, we have to work together with our European partners to make sure that we have proper financial regulation across Europe and across the world as a whole, but of course the Financial Services Authority is accountable to this House and we have our own domestic regulation. As the right hon. Gentleman knows, there will be a debate about European affairs this afternoon, when hon. Members can discuss our excellent position, in having the very best Foreign Secretary we could have, the very best Business Secretary we could have, and a really excellent foreign representative for the European Commission in the shape of Cathy Ashton.

The right hon. Gentleman asked about class war. May I just say that clause 1 of the Equality Bill, which we introduced, puts a new duty on public authorities to narrow the gap between rich and poor? The Conservatives voted against that. We have put up the top rate of tax for those who can most afford to pay, to help us with the deficit as we come out of recession. The Conservatives are opposed to that and instead are just putting forward tax cuts for the richest. Theirs is truly the party for the few, and we are the party for the many.

Mr. David Heath (Somerton and Frome) (LD): Why is the Leader of the House not giving the House time before Christmas, given the urgency, to discuss the recommendations of the Select Committee on Reform of the House of Commons—the Wright Committee? It is not a matter of waiting for a Government response. We are interested not in what the Government have to say about the reform of the House of Commons, but in what this House has to say. Will she consider that as a matter of urgency?

May we have a debate on the banking sector, particularly those banks that are actually owned by the people of this country? I note that members of the board of the Royal Bank of Scotland wish to resign if they are not allowed to pay extraordinarily large amounts of money to people in their company. May I say that there is nobody standing in their way, and this House should have the opportunity to say so?

I am tired of asking for a proper debate on Afghanistan, but I hope that we will have one in the very near future. May I also ask for a debate on the humanitarian situation in Gaza, which worries hon. Members on both sides of the House?

May we have a statement on care homes? I was fortunate enough to open a newly refurbished home for elderly people with dementia in my constituency last week, and I am very conscious of the good work that so many care homes do. However, we should be concerned when we read reports of standards not being as good in some parts of the country. May we have a statement on that issue?

[Mr. David Heath]

I entirely agree that we should not have a class war. When I hear people say that those with double-barrelled names should shorten them for the benefit of the electorate, it really upsets me. But we should have a debate on non-domiciled tax status, especially as it applies to Members of this House and the other place, and would-be Members. It is very important that we show that taxes are not just something paid by other people.

Can the Leader of the House confirm that the Independent Parliamentary Standards Authority, for which we finally set up the board last night, is now a public body subject to freedom of information legislation?

Ms Harman: The hon. Gentleman asks about the report on parliamentary reform. That is an important report and its complexity deserves detailed consideration and a proper response from the Government, which it will get. I do not want hon. Members to get the impression that the situation is anything other than as follows: my hon. Friend the Member for Cannock Chase (Dr. Wright) proposed to me that it would be a good idea to set the Committee up and that it could make far-reaching proposals. I welcomed that suggestion and took it forward. Indeed, I brought the proposal for the Committee to the House. It has done very important work and its members can be sure that that work will be carried through.

The hon. Gentleman asked about the banks. It is important for the economy that the banks lend, and there is still too much evidence that businesses, big and small, are not getting the finances they need. The Government are going after the banks to ensure that they fulfil their responsibilities to the economy and start to lend. Also, they must pay back the loans that they have been given—and that is under way—and they should exercise restraint on bonuses. The Government have been clear about that.

As far as Afghanistan is concerned, in the business of the House—be it Prime Minister's questions, Defence questions, general debates or statements—Afghanistan is at the top of the agenda of this House of Commons, and rightly so.

The hon. Gentleman asked for a topical debate on Gaza, and the right hon. Member for North-West Hampshire (Sir George Young) asked about topical debates in general. Topical debates will be announced shortly, and I will take that as a representation. In fact, other hon. Members have asked for topical debates on issues to do with the middle east and Gaza, so we may look forward to that being a subject.

The hon. Gentleman asked about care homes and mentioned the importance of the care of the elderly. That is important not only in residential care homes, but in their own homes. He will have heard me announce the Second Reading of the Personal Care at Home Bill, and we have all been concerned that some councils have been identified as not caring properly for adults—providing only "adequate" care, when we all want really good care for the elderly and vulnerable adults. That is what they need, and that is what their relatives want. I am very concerned that Southwark council has been identified as one of those councils providing care that is only adequate. Instead of protesting about the findings against it, it should be buckling down to address the concerns that have been identified.

The hon. Gentleman also asked about non-domiciled tax status. The old saying is "No taxation without representation." Perhaps we should turn that around and say, "No representation without taxation." People who seek to enter the House and levy taxes should show that they are prepared to pay those taxes. It is not appropriate for anybody to think that they can enter the House and make others pay taxes that they decide not to pay themselves. However, that is for the Conservative party to sort out, not me.

The chair and chief executive of the Independent Parliamentary Standards Authority are in place already and getting on with their work. They are getting down to it expeditiously and in a way that the House would want them to do. We passed the resolution last night, and like all other public authorities, they will be subject to the Freedom of Information Act.

Several hon. Members *rose—*

Mr. Speaker: Order. Twenty-eight hon. Members are seeking to catch my eye. As usual, I should like to accommodate everybody, so I issue my usual appeal for single, short questions and comparably brief replies.

Jessica Morden (Newport, East) (Lab): A few weeks ago, the Contaminated Blood (Support for Infected and Bereaved Persons) Bill received its First Reading in another place. Will the Minister say when it is likely to appear on the Floor of this House?

Ms Harman: Lord Morris's Bill has had its First Reading in the other place, and the Second Reading is scheduled for 11 December. I am sure that my hon. Friend will watch its progress with great interest and concern, as we all will. I know how important the issue is to her and her constituents, whom she has supported tirelessly on that important issue.

Miss Julie Kirkbride (Bromsgrove) (Con): May we have a debate on the application of Criminal Records Bureau checks and what might be the law of unintended consequences? I have a sad constituency case involving a 13-year-old boy who was found guilty of a sexual offence. As a result his ambition to become a teacher has been completely crushed, because the offence will have to be declared in any application that he makes. However wrong it was to commit the offence, it seems wrong that a 13-year-old boy should have his life chances so affected and have to face the resulting psychological damage.

Ms Harman: The situation is being dealt with under legislation passed by the House. Sexual offending is often a repeat offence, which is why we have a system of registration. No doubt cases such as that of the hon. Lady's constituent will be caught by the law, but that law was passed by the House.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Will my right hon. and learned Friend arrange for the Chancellor to make a statement, to the House and the general public, confirming that no barriers in any shape or form will be placed before directors of the Royal Bank of Scotland who choose to resign over not getting a bonus?

Ms Harman: I agree with my hon. Friend that they already earn vast salaries, and now they are threatening to resign if they cannot indulge in largesse and the distribution of massive bonuses to top executives across the piece. I think that there will be much sympathy for what he said.

Mr. Nigel Evans (Ribble Valley) (Con): Rarely a weekend surgery goes by when I do not see at least one, if not two or three, Child Support Agency cases, even after all these years and with all the reforms. One constituent has not received any money for more than five years, and others are paying far too much. May we have a proper debate on the workings of the CSA so that we can come forward with proper reforms that will affect everybody and be fair to everyone?

Ms Harman: The CSA has such important work to do because too many non-residential parents—mostly fathers—do not show themselves willing to support their children. That is the major problem; it is not the work of the agency. The fundamental problem is men who have children but are not prepared to pay for them and resist doing so. That is why the work of the CSA is very important. If the hon. Gentleman wants to ensure further scrutiny of its work, perhaps he can seek a Westminster Hall debate.

Lynne Jones (Birmingham, Selly Oak) (Lab): May we have an early debate on what the Government are doing to maximise British ownership and employment in the manufacturing industry, particularly in light of the hostile takeover bid of Cadbury, in my constituency, and other proposed takeovers? Cadbury is not a lame duck, but a thriving business with excellent growth prospects.

Ms Harman: I shall bring that point, which is very important to my hon. Friend's constituents, to the attention of the Secretary of State for Business, Innovation and Skills, and ask him to liaise with her directly.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Next year will see the first application for one of the new nuclear power stations in my constituency. Under the new rules, there is not a problem with the actual power station, but I have a question about the infrastructure that feeds it—the roads, park-and-ride, hostels and the rest of it. We cannot work out—the Government are giving mixed signals—whether that is included in the application. May we have a debate to clear that up before the first application, which will be one of many, and to avoid long-term problems?

Ms Harman: I shall ask the relevant Minister to write to the hon. Gentleman with a specific reply. I am not sure which Minister will be dealing with it, but I shall find out. Next Monday, there will be an energy debate on the Second Reading of the Energy Bill, and there are Communities and Local Government questions next week as well, so he will have the opportunity to raise that point directly.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Does the Leader of the House recall that when the miners went on strike in order to protect the pits, they were denounced as traitors in the press? Does this morning's action by the bankers remind her of that? Can we expect a similar condemnation? Furthermore, those precious, self-centred people need to be brought here and cautioned for what they are saying about their position. They are blackmailing the Government.

Ms Harman: I am happy to condemn those who do not recognise that people expect banks to play their part in the economy, to lend to businesses, to pay back the money they needed because they nearly fell off the edge of a cliff as a result of recklessness and irresponsibility, and not, at the back end of it, to award themselves massive bonuses. I agree with my hon. Friend.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): In business questions on 25 June, I asked the Leader of the House:

"Will she open negotiations with the Opposition parties and interested Back Benchers on how her Equality Bill will be scrutinised on Report"?

She replied:

"I will do both those things."—[*Official Report*, 25 June 2009; Vol. 494, c. 962.]

On 2 July, she said:

"We will not be going through the motions of consulting...we will actually consult".—[*Official Report*, 2 July 2009; Vol. 495, c. 488.]

On 16 July, she said that

"we will want to ensure that we make the Bill an exemplar of how the House should scrutinise Bills on Report".—[*Official Report*, 16 July 2009; Vol. 496, c. 456.]

Will the Leader of the House accept that, instead of gaining a reputation as the destroyer of scrutiny, she should think about how we can have proper parliamentary scrutiny of Government Bills on Report? Will she accept the recommendations of the Wright report in that respect?

Ms Harman: We will, I think, be taking forward the Wright report recommendations. As I said, the Equality Bill had the full scrutiny of the House. It spent 38 hours in Committee, and it has been calculated that the hon. Gentleman spoke for 20 of them, so he knows that he has played his part in scrutinising the Bill. I commend him on doing so, but it is not right to say that the Bill has not been substantially scrutinised.

Mr. David Crausby (Bolton, North-East) (Lab): Will my right hon. and learned Friend make time for a debate on primary care trusts, such as that in Bolton, which spend huge amounts of public money? The Secretary of State for Health refuses to answer questions on PCTs, but in my view, they should be open to scrutiny by Parliament?

Ms Harman: I shall ask the Secretary of State for Health to respond to my hon. Friend's request. We are accountable for, and concerned about, the delivery to everybody and in every part of the country, and about not only first-rate hospital services, but good PCT and general practitioner services.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reinforce the two Front-Bench requests for a debate on Afghanistan? On Monday, I put it to the Prime Minister that we should have an amendable motion, on which we can vote, to be debated before 28 January. The Prime Minister replied:

"Of course, if Members of the House want to debate these things in more detail, it is right that we should do so".—[*Official Report*, 30 November 2009; Vol. 501, c. 851.]

[Mr. Douglas Hogg]

We know that the Liberal Democrats and my party want to debate that in detail and that the country wants us to do so. May we please have the debate?

Ms Harman: As the right hon. and learned Gentleman has reminded the House, the Prime Minister responded on those issues not only in Prime Minister's Question Time on Wednesday, but in a statement. However, as hon. Members made clear, neither was a debate, and I shall look for an opportunity to hold one as well.

Mr. Lindsay Hoyle (Chorley) (Lab): Is it time for my right hon. and learned Friend to speak to the Prime Minister and ensure that we hold a national jobs summit to protect manufacturing jobs? Other European countries have strengthened their support for manufacturing in their countries, and the time has come to do the same here. Unemployment is a blight on this country. We must do something about it, and we can through a national jobs summit. I look forward to her response.

Ms Harman: When the Prime Minister convened the G20 summit in London earlier this year, jobs, manufacturing and how we all work together to protect them was very much at the heart of his concerns. The National Economic Council, which he established, meets on a weekly basis and always has jobs—and particularly manufacturing jobs—high on the agenda for discussion. That includes not only jobs in traditional industries such as the automotive industry, which has benefited from the car scrappage scheme, but green jobs and jobs in new industries such as environmental engineering. Such jobs are always very much at the forefront of our concerns.

Mr. Andrew Mackay (Bracknell) (Con): In warmly welcoming the Leader of the House's announcement that there will be a debate on the pre-Budget report, may I ask her to clear up one query? As there is always such a debate, why was she not able to say that there would be one in previous weeks? The reason cannot be her lack of competence. Could it be that the Prime Minister micro-manages everything so much that she is not allowed to observe the obvious in advance and save us all a lot of time?

Ms Harman: The pre-Budget report is a relatively recent innovation. Although it is a long-standing practice to have such a debate after the Budget, it has not been the long-standing practice to have one after the pre-Budget report. However, we agree that there needs to be one this time round, and there will be.

Mr. David Drew (Stroud) (Lab/Co-op): In the previous Session I introduced a presentation Bill on financial disclosure. With the announcement that there is an Opposition candidate standing who is a non-dom, and with some question marks over at least one Peer who may or may not be resident in this country, is it not time that the Government looked at the issue properly, as the Liberal Democrat spokesman said, to see whether it should be a criminal offence to stand for Parliament yet refuse to pay full tax in this country?

Ms Harman: As my hon. Friend will probably know, Sir Christopher Kelly's report for the Committee on Standards in Public Life asked for pre-election disclosure by candidates of their financial interests. My right hon. Friend the Secretary of State for Justice is in discussions with the Electoral Commission and will issue guidance on the matter, as suggested by Sir Christopher Kelly, in advance of putting that into legislation. However, my hon. Friend is absolutely right: it is not good enough to say, "Well, I haven't been paying my taxes up to now, but if I manage to get elected, I'll probably change my tax status." That is unacceptable, and the issue is particularly acute for Members of this House, because it is this House that passes the Finance Bill and decides to raise taxes. We therefore cannot have people who expect just the little people—everybody else—to pay their taxes.

Richard Ottaway (Croydon, South) (Con): The Leader of the House will be aware that sections of the media are covering the issue of libel tourism, which is something that Ministers will have to judge on its merits. *[Interruption.]* Yes, Libel tourism. However, has she noticed that the issue of no win, no fee methods of compensation for lawyers involved in such cases has been added to the wish list? Does she agree that we are talking about a system of justice that vast swathes of people are entitled to have access to? Will she agree to a debate on the issue, to ensure that the baby does not get thrown out with the bathwater?

Ms Harman: No win, no fee was introduced to alleviate pressure on the legal aid budget and to ensure that those with a good case were not prevented from going forward because they did not have the finances. I will look into the hon. Gentleman's point about libel tourism and raise it with the Secretary of State for Justice, although I thought that he was talking about "library tourism", which I thought was another marvellous step forward for the tourist industry.

David Taylor (North-West Leicestershire) (Lab/Co-op): The reign of King James I was not exactly studded with too many glittering achievements, but he did make a major social, spiritual and cultural contribution to our nation with the authorised version of the Bible, which was first published in 1611. Does the Leader of the House know whether the Secretary of State for Culture, Media and Sport aims to make a statement on how we will mark the 400th anniversary? The 2011 Trust is working hard, the BBC has said that it will mark the occasion, online and on TV and radio. We as a nation expect our Government to do so as well.

Ms Harman: I will raise that important point with the Secretary of State for Culture, Media and Sport.

Mr. Andrew Pelling (Croydon, Central) (Ind): Will the Leader of the House take the opportunity to find out why the Christmas tree fell down on Monday morning? Did the contractor put the Christmas tree in properly, and should we expect some compensation for the new contract that had to be put in place to put it back up again?

Ms Harman: I am sorry, but I was not aware that the Christmas tree had fallen down. I would say to hon. Members that, if they are going to ask such questions and expect informative answers, perhaps they could at least let me know in advance. My room is just around the corner from the Chamber, so it is easy to find me and report any emergencies such as falling Christmas trees.

Mr. David Chaytor (Bury, North) (Lab): Any recession impacts severely on young people and school leavers, particularly unskilled school leavers. The Government have been focused on providing a series of measures to help young people in this recession, but for one group it is almost impossible to get a job or even an apprenticeship place. That group is young people in supported housing, where the level of housing benefit makes it not worth their while to go into work. Can we have a debate about the impact of the September guarantees that the Government provided for this year's school leavers and, in particular, about the remaining anomalies in the benefits system that make it hard for young people in supported housing?

Ms Harman: I thank my hon. Friend for acknowledging the mass of concerted Government action that has gone into protecting this generation of young people from the effects of the recession. If a recession hits people at a certain stage in their lives, it can have lifelong effects on their prospects. That is what happened in previous recessions, which is why we were determined not to let it happen to this generation of young people. It is Department for Work and Pensions questions next week. I suggest that my hon. Friend raise his important point about the interaction of benefits and other programmes with the Secretary of State for Work and Pensions when she answers at the Dispatch Box then.

Mr. Andrew Robathan (Blaby) (Con): Last week in business questions the Deputy Leader of the House, ably coached by the right hon. and learned Lady, listed the achievements of the Modernisation Committee as, inter alia, topical debates and deferred Divisions. Could the organ grinder explain how non-controversial topical debates, the subjects of which are chosen by the Executive, help to hold the Executive to account, and how deferred Divisions contribute to better scrutiny? Can she also say when we will have a debate on parliamentary reform and the Wright report?

Ms Harman: The Deputy Leader of the House has tabled a written ministerial statement today setting out the requests that we received for topical debates and the subjects of those debates. The hon. Gentleman will see that, by and large, virtually all topical debates were chosen as a result of requests from Back Benchers or Opposition Front Benchers, so the idea that we sit there deciding what to discuss in topical debates is frankly wrong. Just one debate had not been the subject of such requests—a debate about carers—and that was because the outside carers' organisations had put in a request for a debate. I also think it very rude and unwarranted of the hon. Gentleman to make disparaging remarks about my hon. Friend, who is an excellent Deputy Leader of the House, so he can say sorry to her afterwards.

Lynne Featherstone (Hornsey and Wood Green) (LD): Ofsted gave three stars to Haringey just before the tragic news of the baby P case; the rating was dropped to just one star on a further inspection. The same goes for Basildon hospital foundation trust, although how it got that rating we do not know, because the Care Quality Commission then dropped it. May we have a debate in the House on how to inspect the inspectors?

Ms Harman: Investing extra money in public services, having high standards and holding services to account for those standards lie at the heart of our commitment to those services; we are making investments, setting targets, giving guarantees and requiring public services to be held to account for them. The inspection regimes across health, social services and education are very important. I will look into how best to ensure that the House can scrutinise them.

Philip Davies (Shipley) (Con): Can we have a debate on the unintended damage caused by school league tables? League tables give a perverse incentive to schools not to stretch the people at the very top properly or focus sufficiently on those at the very bottom, but instead to concentrate all their resources on the borderline students. Surely schools should be encouraged to allow children to reach their full potential irrespective of their ability.

Ms Harman: It is important that school-by-school information should be collected, so that parents can see how schools as a whole are progressing. It is also right that the results for each child are regularly communicated to their parents. All those are regimes to improve education that we have put in place. We are in favour of that accountability and in favour of extra investment in education. However, we are also in favour of ensuring that schools are held to account for improving children's results as a consequence of that extra education, which is exactly what they are doing. Indeed, those on the hon. Gentleman's Front Bench are also in favour of league tables and holding schools to account; they are just not in favour of putting in the investment that we have put in.

Sir Nicholas Winterton (Macclesfield) (Con): This country has unique responsibility for Zimbabwe. I have requested a topical debate on that subject on many occasions, so will the Leader of the House provide time for such a debate before Christmas?

Ms Harman: The hon. Gentleman has very much made his point clear and I know that his concerns are shared by many people. His concern is strongly registered.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House used the Personal Care at Home Bill to deflect the very reasonable request made by the hon. Member for Somerton and Frome (Mr. Heath). Does she not share my outrage at the finding of the Care Quality Commission's report, published today, into the state of some of our care homes and the fact that thousands of elderly and frail people are left in truly squalid conditions? Does she not think it should be a priority to debate this specific issue in Government time?

Ms Harman: I think that it is important that this issue be subject to discussion, debate and scrutiny. I will consider how best to do that, but as far as the individual authorities are concerned, they will certainly need to look at how they can improve their services. There are a number of occasions—two next week, an Opposition day and an estimates day—when the question of local authority provision and the work of local authorities, which touches on the issue, can be debated.

Dr. Julian Lewis (New Forest, East) (Con): Yesterday, the Prime Minister yet again damaged his serious message on terrorism by insisting on referring to something he always calls "Alky-Ada". Today, he is in trouble again over a botched letter of condolence to a bereaved service family. Given that the armed forces serve the Crown and not politicians, may we have a statement from a Constitutional Affairs Minister, confirming that it would be more appropriate if the Prime Minister kept out of letters of condolence to bereaved service families and this were left, as it traditionally has been left, to the monarch?

Ms Harman: As well as being the Prime Minister of this country, the Prime Minister is a human being who understands the dreadful bereavement of those who have lost a child. Indeed, when he has written to those families, he has written privately and has not sought to put those letters in the public domain. I really think that the hon. Gentleman, for whom I generally speaking have a great deal of respect, should not have put that question in that way. It does not help our troops, it does not help the terrible loss of bereaved families—and it does not help his party either.

Greg Mulholland (Leeds, North-West) (LD): I echo the calls of my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone) for a debate on the Care Quality Commission. Only this week, a report—a secret report on the Eccleshill independent treatment centre—was made public, yet the Care Quality Commission is now saying that this very meticulous and damning report is wrong. I am afraid that the credibility of the CQC is seriously undermined, and with all the cases that we have now heard, we need to debate it.

Ms Harman: The question of caring for people at home and in residential care is important, so I hope that we can find an opportunity to debate these issues over the next week and the week after that. I will keep under review the question of whether we need a topical debate, and decide at the appropriate time.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Could we have a debate on Iran? While media attention has focused on the fate of the recently detained British sailors—I congratulate the Foreign Office on helping to secure a positive result—what has not been widely reported is the fact that President Ahmadinejad of Iran has effectively withdrawn all co-operation with the United Nations on working to resolve the nuclear issue. Given that the US Administration have given until the end of the year to try to move forward in a positive way, we are now running out of time to ensure that measures are put in place to bring this to an end. Could we please make this a priority and have at least a statement from the Foreign Secretary before we rise for Christmas, because time is running out?

Ms Harman: I will ask my right hon. Friend the Foreign Secretary to write to the hon. Gentleman. We all agree with his welcome for the release of the British sailors and with his thanks to the consular officials involved in bringing that about. We would all also share his concern. Iran has been offered the opportunity of positive international engagement, as the hon. Gentleman says, but if it does not take that opportunity and it continues to pose a threat, the international community will obviously have to act on that concern, which could go as far as toughening up sanctions. As I said, I will ask the Foreign Secretary to write to the hon. Gentleman.

Mr. Philip Hollobone (Kettering) (Con): The Government must not give in to the demands from the directors of the Royal Bank of Scotland for well- cushioned bonuses. Most of my constituents would say good riddance to them if they decided to resign in protest. Will the Leader of the House ensure that if the Chancellor caves in, he will make a statement about it on the Floor of the House?

Ms Harman: I find it striking when I hear such sentiments, with which I can only agree, from the hon. Gentleman, as his party is the party of no regulation and of giving extra money to those who have already got shedloads of it.

Mr. Nigel Dodds (Belfast, North) (DUP): Flooding has seriously affected not just parts of Cumbria and other areas of England, but areas in Northern Ireland, particularly in County Fermanagh, which does not have a voice in this House on account of the abstention of its Sinn Fein Member of Parliament. Speaking on behalf of people living there and in other areas represented by Sinn Fein, may I ask the Leader of the House for a debate or a statement on the possibilities of assistance from the EU to help areas affected by the flooding? What additional help can be given?

Ms Harman: We are having a debate on EU affairs as soon as business questions are concluded. Indeed, my hon. Friend the Minister for Europe is in his place on the Front Bench waiting to start on that. There is also a debate on the Flood and Water Management Bill on Tuesday 15 December. Let me take the opportunity to pay tribute to my hon. Friend the Member for Workington (Tony Cunningham), who has worked with the Government, local authorities and the emergency services on behalf of the many families in his constituency who have had an absolutely terrible time. Even though they are no longer at the top of the news, we are all thinking of them, as it is cold there and the rain has started again. They are very much not forgotten. We are working to support them.

Mr. Peter Bone (Wellingborough) (Con): Last night, we had the unedifying sight of the Liberal party trying to delay the setting up of the Independent Parliamentary Standards Authority by using a parliamentary procedure to delay debate and stop a vote. Will the Leader of the House arrange a debate next week entitled "The Liberal Democrat party: neither Liberal nor Democratic"?

Ms Harman: We had a big furore about that yesterday, so we do not need a repeat of it today. The point is that IPSA has been set up and is now going to get on with its job. I wish it well.

European Affairs

12.18 pm

The Minister for Europe (Chris Bryant): I beg to move,

That this House has considered the matter of European affairs.

Having spent eight years analysing its innards and obsessing about its own rule book, Europe now needs to focus all its energies on the needs and concerns of its citizens. Next week's Council meetings will do precisely that, with key discussions on jobs and growth, on climate change, on European co-operation to tackle crime, on the enlargement of the Union and on external relations, especially with Iran.

On the economy, I know some Members, particularly Conservative Members, would like to pretend otherwise, but no country in Europe has escaped the effects of the global economic downturn. Three things, I believe, have become apparent through this extraordinary period. First, every country in Europe has faced the same set of problems because no economy is a hermetically sealed unit. Italy's debt is now 115 per cent. of gross domestic product, while Greece's is 113.4 per cent. and Belgium's is 97.4 per cent. Unemployment across the EU is currently at 9.4 per cent.—its highest level since the recession began. In Latvia and Spain, it is at its highest, at 20.9 and 19.3 per cent. respectively.

Keith Vaz (Leicester, East) (Lab): May I take this opportunity to congratulate my hon. Friend on becoming Minister for Europe, a subject about which he is passionate and knowledgeable? May I also take up the issue of the economic situation in Europe? Given that next year is the 10th anniversary of the Lisbon agenda, will my hon. Friend recommit the Government to achieving the goals that were set in Lisbon in 2000—certain and precise benchmarks for European countries to follow, rather than a vague "We hope everything is going to be all right"?

Chris Bryant: I am grateful to my right hon. Friend. I cannot remember whether he was number six or number seven—or, perhaps, number five or number eight—but I know that some Ministers for Europe have not remained in post for long, and I intend to remain for a long time.

My right hon. Friend has raised an important point about the Lisbon agenda. He is right to suggest that we must work hard in the coming months, especially as we move into the Spanish presidency. I know that the Spanish intend to take up the task with keen endeavour. We need to move towards a compact on jobs and growth, which is one of the subjects I am about to discuss.

Mr. Mark Harper (Forest of Dean) (Con): May I make a point about jobs and growth? Michel Barnier has been appointed as the single market Commissioner, and yesterday a new regulatory body was set up in Europe to regulate the financial services industry, which is critical to this country's success. Is the Minister as worried as we are, along with those in the City of London, about the possibility that both developments will damage our financial services industry and reduce the number of jobs in this country?

Chris Bryant: No. I respect the financial services industry in the City as much, and take as much pride in it, as the hon. Gentleman does. It is a vital part of the British economy. However, I would also argue—as the Chancellor of the Exchequer did in *The Times*, yesterday or the day before—that the City of London is as important to the economy of the whole of Europe as it is to the United Kingdom. That is why I think that any internal market Commissioner would want to protect and enhance its reputation and strength.

I warmly welcome the appointment of Mr Barnier. I know that he is to visit the United Kingdom before Christmas, and will have conversations with the Chancellor of the Exchequer. He has proved himself to be a very effective Commissioner in the past. I think the hon. Gentleman is making a mistake when he presumes that individual Commissioners will be representatives of their Governments. It is made very clear in the treaty, which I am sure he has read on several occasions—

Mr. Harper: I have.

Chris Bryant: I had no doubt that the hon. Gentleman had read it. May I ask him to wait a moment and calm down? The treaty makes it absolutely clear that Commissioners are there not to represent their countries but to act as a body of Commissioners, and I am sure that the Commission will produce legislation that will be helpful to the City of London.

I welcomed the unanimous agreement that was reached on a set of measures yesterday. I shall say more about that regulation shortly.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Given the point that the Minister made earlier, he might wish to consider the way in which the Spanish Commissioners have always behaved in relation to fisheries reform, which, in my experience, is often quite nationalistic. Will the Minister congratulate the new Conservative group in the European Parliament on securing the chairmanship of the Committee on Internal Market and Consumer Protection for Malcolm Harbour, a British Conservative Member of the European Parliament representing the west midlands, which will have an influence in that important sphere?

Chris Bryant: I thought the hon. Gentleman would go on to congratulate the Conservative group on completely isolating themselves in Europe, on not managing to secure a single vice-president of the Parliament, on not managing to secure a single Commissioner, and on being pretty much reviled by most Members of the European Parliament. I do not know whether he has visited the European Parliament recently.

As it happens, I have a great deal of respect for Mr. Harbour. I knew him when I was working in Brussels, and I look forward to working with him. I merely say to the hon. Gentleman that by absconding from the main group in the European Parliament the Conservatives have done themselves absolutely no favours, and have marginalised the British interest in Europe.

Mr. Goodwill: I am pleased to tell the Minister that I was a Member of the European Parliament for five years, and that I was deputy leader of the British MEPs and a deputy co-ordinator of the European People's party. I should be interested to learn whether the Minister's take on it is any different from mine.

[Mr. Goodwill]

I am very happy to welcome our new group. It is not isolated; it is at the very heart of the decision-making process, as Mr. Harbour's appointment has demonstrated.

Chris Bryant: With all that knowledge, the hon. Gentleman should know better. He is aware that the European Conservatives and Reformists, the group that he handpicked, along with his leader and Dastardly and Muttley—*[Laughter.]* The hon. Member for Rayleigh (Mr. Francois) clearly recognises himself.

As the hon. Member for Scarborough and Whitby (Mr. Goodwill) knows perfectly well, in the Committee on Economic and Monetary Affairs a couple of weeks ago, when the portfolios were being handed out on all the key issues relating to financial services and the internal market, not a single Conservative MEP was given a single portfolio. Two of the key portfolios were given to Labour Members. If the hon. Gentleman does not mind, I shall move on now.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab) *rose—*

Mr. Harper: Lady Penelope!

Ms Stuart: Thank you, Parker.

If it does not matter that Commissioner Barnier is French, then it also clearly was not a British triumph that the new High Representative is British.

Chris Bryant: I think it is a triumph that the new High Representative is Cathy Ashton, because I know her to be a very effective operator. I know that she will build coalitions of opinion. Yesterday even Conservative MEPs were congratulating her on her appearance in the European Parliament, and I am certain that she will do a very effective job.

Mr. Nigel Dodds (Belfast, North) (DUP): May I take the debate back to fundamentals? Tuesday marked the coming into force of the Lisbon treaty. Will not people in the country listening to the debate—if anyone is—feel totally cheated by the fact that they have been left with no say, according to both the Government and the Opposition? Do they not want a say on our relationship with Europe, and is that not what the debate should be about?

Chris Bryant: To be honest, no, I do not think it should be about that. The reason is very simple. As I said at the outset, Europe has spent too much time over the last eight years rowing about the rules and about the treaty. I think most citizens in Europe want to see the European Union engage with the issues that really concern them, such as tackling crime, jobs and growth. They want to ensure that Europe is more effective on the global stage, so that we can deal with complicated issues such as Iran and Russia in a united way that is more in the interests of the British people.

Mr. Andrew Pelling (Croydon, Central) (Ind): Would it not be to the advantage of the British nation and, indeed, the House, where the European issue essentially poisons British politics, finally to resolve the issue of whether we are to be in or out of the European Union, and to take the opportunity to hold a referendum on the subject on the day of the general election?

Chris Bryant: All that we have seen so far is that every time a Conservative Member stands up, he comes out with a new—*[Interruption.]*

Mr. Speaker: Order. I must tell the hon. Member for Forest of Dean (Mr. Harper) that he has developed quite a bad habit of chuntering from a sedentary position, for all the world as though the debate consisted of a private conversation between him and the Minister. I am glad that there is good humour, but we must now settle down a little.

Chris Bryant: If the hon. Gentleman wants a private conversation later, Mr. Speaker, I am sure we can arrange a date.

I think that what hon. Members were trying to say to me was that the hon. Member for Croydon, Central (Mr. Pelling) is no longer a Conservative Member of Parliament. I apologise to him. Former and present Conservatives alike, however, seem to develop a new policy each time they rise to their feet.

I was trying to say something about the economic matters that will be before the European Council next week. First, it is interesting to note that all European countries have adopted broadly similar measures. All member states have adopted significant stimulus packages, even those which, according to some—including the hon. Member for Rayleigh last year—were initially sceptical. For example, on 20 February 2009 the second German stimulus package, worth €50 billion, was adopted. Together with the first German stimulus of €32 billion, it represented an investment of 3 per cent. of GDP over two years, stimulating an additional 1 per cent. of growth. Germany invested €80 billion for recapitalisation of its banks, and France invested €40 billion. Those measures are very similar to the measures we adopted here.

Secondly, concerted action in the G20 and the European Union has been vital. The EU's response to the crisis has demonstrated exceptional unity of purpose in its efforts to restore jobs and growth. To date, its combined fiscal stimulus has exceeded €400 billion. I am certain that without that combined effort we would have faced a worldwide slump or depression akin to what our forebears went through in the 1930s.

Kelvin Hopkins (Luton, North) (Lab): The Minister talks about that stimulus as if it was a European stimulus. Was it not, in fact, an aggregation of stimuli by nation state Governments, and is that not a very significant distinction?

Chris Bryant: My hon. Friend is absolutely right that the sum I mentioned is the aggregate of all the different stimuli in each of the different countries. None the less, countries came together and engaged in lengthy debate in Council meetings and moved forward with very similar policies, and because of that we were then able to achieve a greater effect through that aggregate stimulus.

Mr. Peter Bone (Wellingborough) (Con): The Minister is making the case that Europe as a whole has benefited, but is not a key reason why we in this country have done relatively well recently the fact that we have had the

pound, which has been allowed to devalue against the euro, thereby making our industry more competitive than other European industries? Also, is it still the Government's policy to join the euro when the conditions are right?

Chris Bryant: The Government's policy on the euro has not changed at all, as the hon. Gentleman knows. He says that over the past year there have been benefits to our having the pound, but there have been problems as well. I have met a lot of expatriates living in Spain, Greece and elsewhere. They face significant problems, because their savings in pounds have depreciated considerably; many Members have written about this on their constituents' behalf. The hon. Gentleman is right in other respects, however. For the British tourist industry, the problems of the recession have been softened because many French, German and Spanish people, for instance, have been able to come here as they have found it an affordable holiday option.

Ms Gisela Stuart: When the Minister reads what he said in response to the question from my hon. Friend the Member for Luton, North (Kelvin Hopkins), he will find that his comments were another instance of what keeps happening time and again: an example of co-ordinated co-operation between member states is interpreted as an excuse for further integration. The two things are very different, and the fact that we had a concerted financial stimulus is not an excuse to then have Europe-wide financial regulation and everything that flows from that. I shall come back to this point if I am called to speak later. We must not always have this confusion, which is caused by hailing co-operation between nation states as a success in respect of European Union integration.

Chris Bryant: My hon. Friend is absolutely right. There are areas where we need to have co-operation between member states on an intergovernmental basis—for instance, the fiscal stimulus has been helpful and we have loosened the bonds of the growth pact—but there are also areas where we have to co-operate on a more co-ordinated and enforced basis. I shall come to the issue of regulation shortly, and I suspect my hon. Friend and I will disagree on it.

Thirdly, we have learned during this international crisis that properly calibrated national regulation of financial markets is a vital protection against economic crisis, but national regulation alone cannot be sufficient. That is why the Prime Minister argued forcefully and successfully earlier this year at the G20 for enhanced global co-ordination, including through improved capital standards, increased oversight of systemically important financial institutions and the agreement of international compensation standards. It is vital that this be done on an international basis; otherwise, there is a danger that some countries will compete in the bargain basement of regulation, which does no favours to any economy in the world.

That is also why we wholeheartedly support the agreement reached at the meeting of European Finance Ministers yesterday on the setting up of three new European financial regulators. The new European systemic risk board will provide a much-needed Europe-wide early warning system on financial risk. These proposals pose no threat to our fiscal autonomy. Let me add that we believe that these bodies will work in the City's interests, not against them. The UK is proud of its robust financial services industry, and Europe derives significant benefits from it. London is the only city that can compete with New York as a financial centre, and I know that Europe knows that its success is integral to European economic prosperity.

There are some people who refuse to acknowledge that the regulation of financial markets, on a national or international basis, is important. Indeed, the right hon. Member for Wokingham (Mr. Redwood) announced only a couple of years ago that

"we see no need to continue to regulate the provision of mortgage finance".

He added:

"In Financial Services we should allow people to buy and sell products that are not regulated".

I believe that would be an act of gross folly.

The shadow Chancellor, the hon. Member for Tatton (Mr. Osborne), added for good measure that this is

"how we liberate our economy to compete with the likes of India and China. Cut Government regulation".

It is clear that the Conservatives have learned absolutely nothing about financial regulation.

Michael Connarty (Linlithgow and East Falkirk) (Lab): My hon. Friend talked about three regulatory bodies, but I believe they are in fact three supervisory bodies, which is a rather different thing. It would be quite worrying if we had three regulatory bodies, whereas supervisory bodies will provide the oversight that is required across Europe.

Chris Bryant: My hon. Friend is absolutely right and he makes his point very well, as ever.

We are determined that the EU should meet the economic challenges we all face head-on and swiftly. Otherwise, parts of Europe could face a lost decade of low growth and high unemployment, providing a drag on economic prospects for us all. That is why the Prime Minister wrote to heads of member states in October setting out a new vision for economic co-operation in Europe. He pointed out that the start of a new Commission term gave European leaders the opportunity to establish a new set of explicit and urgent economic priorities, which he called a

"European compact for jobs and growth".

We want next week's December European Council to agree to the need for such a compact—one where European countries co-ordinate their actions to tackle the key concerns of Europe's citizens, while at the same time taking steps to reform the effectiveness of our institutions. We believe such a compact must have six components. It should focus on creating jobs and equipping our work force with the skills they will need in the future. It needs to support those sectors of the economy that will deliver the growth of the future, particularly low-carbon, resource-efficient sectors. It should seek to remove the remaining barriers in the single market and provide companies with streamlined access to markets. It should strive for faster progress towards open global markets by pushing for the completion of the Doha round in 2010, while at the same time stepping up bilateral trade negotiations. A European compact for jobs and growth

[Chris Bryant]

must also strengthen the banking system so that European financial markets and institutions can play a full role in supporting sustainable economic growth.

The Government believe such a compact will give European countries a progressive and ambitious framework in which to generate the economic prosperity of tomorrow. It will be a framework that builds on the actions of the G20 and provides greater coherence to the EU's economic policy, both internally and in a global context.

Mr. David Drew (Stroud) (Lab/Co-op): Does the Minister not acknowledge, however, the following somewhat contradictory position we find ourselves in in Europe? Countries on the European mainland have offered job subsidies during the recession, whereas our Government have studiously stood against that. It is all well and good having these grandiose statements about a compact or a contract, but British jobs have been sucked on to the mainland of Europe because countries there have protected their manufacturing industry, whereas we have let ours go.

Chris Bryant: I am not at all sure that my hon. Friend's characterisation of the labour markets across Europe is correct. It is true that sometimes it is more difficult to sack somebody in other parts of Europe, but it is also more difficult to employ somebody—to take somebody on—in other parts of Europe. Our flexible labour market has been an important part of ensuring the strength of the UK economy. It is also interesting that, whereas many people were predicting at the start of this year that we would have 3 million unemployed by the beginning of December, we have not reached that figure. That is because we have both taken concerted action in the UK and worked with countries that are our important trading partners across Europe to try to make sure jobs are protected.

Dr. Andrew Murrison (Westbury) (Con): One part of the compact to which the Minister refers is the European defence-technological industrial base. Will he accept that our country has more defence exports and capability than other European nations and that we are therefore especially at risk of job losses if this goes wrong? Will he further accept that, on procurement, we should deal far more with those countries with which we operate militarily, which means overwhelmingly the United States, and not the nation states of the European Union? Will he therefore take a sceptical view of this element of the compact, which serves to do down job prospects in this country and our defence needs?

Chris Bryant: No. I defer to nobody on the Conservative Benches on the protection we give and the efforts we make to ensure the long-term sustainability of our defence industry. Indeed, many of my constituents in south Wales work in a variety of firms engaged in different elements of the defence industry, and we seek to protect those important jobs. I do not accept the hon. Gentleman's suggestion that we do business only with our American colleagues. Of course, they are very important allies to us, but my experience—having seen British troops fighting alongside Dutch personnel, Italians, Spaniards, Danish personnel, the French, the Germans and those from many other countries—is that our alliances in Europe are significant and important to us.

I turn now to climate change. I said earlier that no economy can pretend that it is a hermetically sealed unit. The same is of course true of our environment and our climate, which is why we believe the ongoing discussions in Copenhagen are so important. Europe has a leading role to play in limiting the damaging effects of dangerous climate change and in leading global action as the world moves to a low-emission, low-carbon economy. The October European Council made important progress on climate finance, agreeing that developing countries are likely to require financial support amounting to about €100 billion per year by 2020 if they are successfully to mitigate, and adapt to, the effects of climate change. It also agreed that between €22 billion and €50 billion of this overall package should come from public finance.

The agreement on climate finance demonstrates the EU's continued leadership as a global actor, but we must keep working together to reach a coherent EU position on the key remaining issues. That includes the demonstration of EU readiness to move to a 30 per cent. emissions reduction target if other developed countries offer comparable commitments at Copenhagen. The December European Council, which meets towards the halfway point of the Copenhagen summit, offers the opportunity for European leaders to react positively should commitments from other developed countries warrant such a reaction. It remains vital that the EU continue to show leadership in achieving an ambitious global deal in Copenhagen. There is political momentum towards such a deal, but it needs continued nurturing and encouragement. Any political agreement must be supported with a clear timetable for delivering a full legal treaty as soon as possible. Slow progress is simply not enough if we are to avoid seeing the shadow of climate change darken all other issues on our agenda.

I had thought that I would have unanimous cross-party support on this issue, but I note that a former shadow Home Secretary has joined the ranks of the Tory deniers, saying that he thinks the science is only 80 per cent. proven. I must say that if I thought there was an 80 per cent. chance of being knocked down when I crossed the road, I would not cross the road. Similarly, the Tory grouping in the European Parliament has broken free: only last week, 18 members of the group, including two Tory MEPs and, most significantly, the hand-picked leader of the group, Michal Kaminski, voted against Tory policy to agree an 80 per cent. cut in emissions by 2050. I see some hang-dog faces on the other side of the House.

The Council will also be invited to adopt a new five-year strategy document, entitled the "Stockholm programme", setting out our high-level priorities in the field of justice and home affairs. Collaboration on justice and home affairs has already delivered major benefits for the citizens of this country. Since the European arrest warrant came into force in 2004, it has allowed the UK to extradite more than 1,000 fugitives to other member states and brought more than 350 wanted criminals to the UK to face justice, including Hussain Osman, one of those involved in the attempted attacks in London on 21 July 2005. I simply cannot understand why the Conservative party refuses to support the European arrest warrant.

Mr. Philip Hollobone (Kettering) (Con): How can this country continue to allow into Britain illegal immigrants who make their way into the EU, across the EU and

then across the channel? What is the Minister doing with our European colleagues to stop these people on mainland Europe?

Chris Bryant: I am glad that the hon. Gentleman acknowledges that we have to work closely with our European allies to address this issue of immigration. However, I must point out that it is his party that wants complete segregation, with us acting wholly independently—the Conservatives want us hardly even to speak to our European allies—on these issues. I suggest to him, in the gentlest of ways, that if he were to revise his policy he might have a more effective way of dealing with migration issues.

Keith Vaz: I know that the Minister is trying to be gentle with the hon. Member for Kettering (Mr. Hollobone), but he does have a point. I went to visit the "jungle" camp in Calais before the French decided to break it up, and a lot of people there had travelled right across Europe to seek to get admission to the UK. I know that our Immigration Minister has worked with the French Immigration Minister, but only through closer co-operation with our European partners will we be able to get them to fulfil their responsibility on immigration, so that people do not go thousands of miles, sometimes paying people traffickers huge sums, just to get right to the end of the continent.

Chris Bryant: My right hon. Friend is absolutely right to say that co-operation is the key to this. We need to ensure that the whole of the European Union is working in concert. That is why we believe it is right to adopt not an ideological position on these elements, but an entirely pragmatic one, whereby we will opt in to justice and home affairs issues where it is in British interests to do so, and where that is not in our interests, we will leave the issue to one side. My argument against the Conservatives, which I believe my right hon. Friend shares, is that they sometimes adopt too ideological a position on these elements.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Minister told the House a few minutes ago that the European arrest warrant has helped British crimefighters to extradite more than 350 criminals from European member state countries back to the UK. He needs to tell the House a little more about the sorts of people who are subject to the European arrest warrant, and can thus be brought to justice, because they are not minor criminals; they are extremely serious criminals—murderers, rapists, paedophiles and sex offenders. Those are the sorts of serious criminals that the European arrest warrant enables this country to bring to justice, and the warrant has enabled this country to close down the costa del crime in Spain, so why on earth do the Conservatives want to pull out of that arrangement?

Chris Bryant: The hon. Gentleman makes a fine point effectively. I have often tried to understand the Conservative position on this issue and failed; it seems to be another instance of dogma triumphing over practical solutions to the problems that we face.

Mr. Nigel Evans (Ribble Valley) (Con): It is important for Britain to co-operate far more closely with our neighbours in the European Union. Boiler room fraud, which prevails in Spain, basically involves fraudulently obtaining money from British investors to invest in shares that either are worthless or do not exist. Does the Minister know why the British police and the Spanish police cannot co-operate more closely on such matters to close down those fraudulent groups and bring them to justice?

Chris Bryant: I wholeheartedly agree with what the hon. Gentleman is saying, and I am glad that he shares the Government's policy on Europe and on how we should proceed on these issues. He is right to say that when British businesses and British citizens do business abroad they should have the same access to justice and a fair deal as citizens of the other member states in Europe. That is the whole point of the internal market, and it is why we strive to maintain it, whereas, sadly, his party wants to dismantle elements of it.

Mr. Davey: Given the interventions from the Conservative Benches, I should point out that the Conservatives in the European Parliament—and often the Conservatives in this place—have opposed measures such as Europol, the European arrest warrant and Eurojust, and other aspects of co-operation to tackle these serious criminals and the sorts of issues that Conservative Members have raised in their interventions. How can they raise those issues and then vote against all the measures that enable that co-operation to take place?

Chris Bryant: Well, as I say, sometimes the Conservative party's policy on Europe is unfathom—unspeakable.

Mr. Evans: Unpronounceable.

Chris Bryant: It is unpronounceable, unspeakable and unfathomable—but let me move on.

The Government believe that the Stockholm programme is an opportunity to build on successes in Europe, which is why we have been heavily engaged in the negotiations on the text from the very start. On child protection, the programme proposes the establishment of a network to tackle child abduction and arrangements to prevent people who are disqualified from working with children in one state from doing so in another. I am sure that all hon. Members would want to support that. On organised crime, the programme calls for an EU strategy, and the intention is to use the UK's organised crime strategy as the blueprint. In short, we believe this is a programme that the Prime Minister will be happy to adopt next week, because it will clearly further British interests in this field. It shows what we can achieve when we are at the heart of the EU, shaping the agenda according to our interests and values.

On enlargement, I think that most hon. Members will agree that Turkish membership of the EU is of strategic importance to the UK. The prospect of membership will help Turkey strengthen and modernise its democracy and economy, adding to the security and prosperity of the whole region. It offers us the opportunity to secure energy corridors and increase trade links with what we believe will be one of the world's top 10 economies.

Kelvin Hopkins: On the subject of Turkey, it has been suggested that one of the reasons why the Germans and the French were so keen to see President Van Rompuy

[Kelvin Hopkins]

appointed was that he was deeply hostile to the entry of Turkey into the European Union and made a speech on those lines not so long ago. That, I understand, has upset the Turks. Would my hon. Friend care to comment on it?

Chris Bryant: The new President of the European Council has made it absolutely clear that he is not there to determine the policy of the Council but to enable it to function. We are strong supporters of Turkey, and he has indicated that he has no intention of using his position to block Turkish accession. I personally think that it would be bizarre if, after so many years of offering the prospect of membership of the European Union to Turkey if it changes many of its institutions to make them more democratic—if it abolishes the death penalty and so on—we were suddenly to slam the door in its face this December. I am very confident that that will not happen.

Mr. David Burrowes (Enfield, Southgate) (Con): I thank the Minister for giving way, and I share his support for Turkey's accession. Does that not bring into sharp focus the issue of Cyprus? The Minister will know how important the next four months are for Cyprus in terms of reaching a settlement and becoming a reunited European member state, based on the UN framework. The Prime Minister is meeting Mr. Talat tomorrow, but what discussions are taking place with the Turkish Government, given their key influence in terms of solving the Cyprus problem?

Chris Bryant: The hon. Gentleman is absolutely right. I was asked questions about this issue on Tuesday, and I know that he has taken a long-term interest in it. I have had discussions with my counterpart, the Foreign Secretary has visited Ankara and the Prime Minister has spoken to Mr. Erdogan, and we have underlined at every stage our long-term commitment to Turkey's membership of the European Union, and also the need for Turkey to abide by the commitments that it made when it voluntarily signed the Ankara protocol. We believe that they were not tied to any other issue, and that they need to be adhered to to open the ports. That will be an important step in moving towards a resolution of the situation in Cyprus.

I have also met Mr. Christofias, as have several other Members of the House. I think that the hon. Member for Rayleigh, too, has visited Cyprus. We all think that this is a key moment in the history of Cyprus. Two leaders have staked their careers on achieving an outcome. I know that some people get depressed and some of the media get a bit angry because they think that the talks are happening in private and in secret, but sometimes talks of this nature, which are very sensitive, grow—a bit like mushrooms—best in the dark.

Mr. Goodwill: Does the Minister share my disquiet at the fact that some prominent members from Germany of the Group of the European People's Party have been critical of Turkey's accession? That is yet another good reason, I suspect, why the Conservatives are better off out of the EPP.

Chris Bryant: The hon. Gentleman will probably have to look at the views of every member of the European Conservatives and Reformists Group on Turkish accession. We know that there are difficulties with Turkey's accession. It will have to go through many different chapters before it can accede to the EU. We believe that, for strategic reasons, having a secular Muslim country in the EU would be good for our strategic interests and for diversifying energy routes and ensuring our energy security. Most significantly, I know that there are those who are frightened of Turkey because of migration issues, but I suspect that Turkey will be the Asian tiger on our doorstep. If we do not have Turkey in the EU—not facing west, but facing east—that will be a big mistake for us all.

Kelvin Hopkins: Will my hon. Friend not accept that there has been a slight cooling of enthusiasm for enlargement in relation to Croatia, too? Fairly stringent conditions will be set out for Croatia to join, to ensure that it adheres to normal European standards. Has that not been influenced by the rush to embrace Bulgaria, where a degree of corruption and crime has caused worry in the EU?

Chris Bryant: My hon. Friend is right to imply that it is inappropriate to set an arbitrary timetable that then has to be met, come what may. It is important to have a process that is adhered to, so that each of the chapters is gone through on the path towards accession. That is far more sensible. I think that there is a song in "Guys and Dolls", which says something along the lines of, "Marry the man today, and change him later". We cannot do that in the EU. We have to ensure that the changes are made first, so that people come forward before the moment of accession with an economy, a legal system and all the chapters of the acquis completed properly. Countries need to do that before they accede.

Keith Vaz: Will the Minister give way?

Chris Bryant: I am reluctant to give way much more, but my right hon. Friend is very charming.

Keith Vaz: I am most grateful; the Minister has been generous to all Members in giving way today. Is not the point about new countries coming in that they need to be properly mentored? One of the issues with the big enlargement, which brought in Poland and the other eastern European countries, was that there were close relationships, such as that between Britain and Poland. One way over the system is to ensure that there is appropriate mentoring of new applicants by other countries.

Chris Bryant: My right hon. Friend makes a very good point. In some areas of some of the countries that we are talking about, there is a simple lack of capacity. In some instances, Britain has been able to provide some of that support through our technical expertise. The Westminster Foundation for Democracy has often been helpful and a range of different civic organisations across Europe have been able to play a significant role in bringing countries towards compliance. Does my hon. Friend the Member for Luton, North (Kelvin Hopkins) wish to intervene, or is he fatigued?

Kelvin Hopkins *indicated dissent.*

Chris Bryant: Good, he is fatigued.

Croatia has continued to make progress in her accession negotiations. We look forward to welcoming Croatia into the EU once she has met the conditions necessary for membership. We also welcome and support the Commission's assessment that Macedonia is technically ready to open negotiations. We expect to be able to open negotiations with Iceland, too, soon.

Under the external relations agenda item, the December European Council will discuss the situation in Iran. It is becoming increasingly evident that Iran has no intention of meaningful engagement with the outside world on its nuclear programme at present. Iran has failed to follow through on much of what it agreed to at the meeting with the E3 plus 3 in Geneva in October. It has been censured by the board of governors of the International Atomic Energy Agency, and only last week Iran said that it was planning to expand its enrichment programme further. As a result, the time has come to consider what further measures may be needed to persuade Iran to enter into meaningful negotiations on that issue, the result of which must be Iranian compliance with the requirements both of the IAEA and of the five UN Security Council resolutions on this subject. The Council will also consider the human rights situation in Iran, including the crackdown, convictions and detentions following the disputed elections, and the continuing high rate of executions.

Mr. Davey: The Minister is making a very important point. Is he saying that the British Government will push the EU to push for sanctions at the UN?

Chris Bryant: We have to have a further round of talks next week. That is obviously one of the things that we have to consider. The situation in Iran seemingly gets worse day by day and week by week, and Iran has to comply with UN Security Council resolutions. We are clear about that. As a Back Bencher, I frequently brought up some of the human rights issues in Iran, too. They are sometimes forgotten in the wider debate, but none the less they are very significant. The UK will be pushing for the Council to send a strong message that Iran must take swift action to comply with its legal obligations both on its nuclear programme and on human rights.

I said earlier that Europe needs to focus far more clearly on the concerns of her citizens. That is, of course, precisely why I believe that it would be wrong to contemplate another round of treaty making in Brussels. Sadly, the Conservative leader does not agree. Two years ago he issued his clarion call, boldly announcing his "cast-iron guarantee" that he would put whatever treaty came out of the negotiations to a referendum, and putting his own signature to his article in *The Sun*. Well, we now know that he signs his cheques in invisible ink.

Mr. Harper: Will the Minister give way?

Mr. Bone: Will the Minister give way?

Dr. Murrison: Will the Minister give way?

Chris Bryant: It's the three musketeers. I shall take the interventions in the order in which the hon. Gentlemen are sitting.

Mr. Harper: The Minister will know that I sat through the many days of debate in the House on the Lisbon treaty, so he will know that the Conservative party did what it said it would do. There was a vote in the House about having a referendum on the Lisbon treaty, and we all did what we said to our electorate in our manifestos that we would do—*[Interruption.]* I hear a sedentary comment from the hon. Member for Stroud (Mr. Drew), who I must add, to be fair, did vote in accordance with what he promised at the general election. However, most Labour Members did not do what they said to their electorate in 2005 that they would do, and instead voted against having a referendum. We did what we said we would; it is the Labour side that broke its promise.

Chris Bryant: I will take the next intervention.

Mr. Bone: My question is ditto.

Chris Bryant: And the third question?

Dr. Murrison: My question is somewhat different. I see that the Minister has come to the end of his polemic. Will he say why he has not mentioned the European Defence Agency, European security and defence policy, or the EU external affairs set-up? Baroness Ashton is apparently heading the External Action Service, but she does not have a clue either, because she said in her speech a few days ago to the European Parliament that it would be a "huge challenge", a "one-stop shop" and a "unique selling point"—in other words, a whole load of waffle. She does not have the first idea what the organisation that she is meant to be heading is meant to be doing. This comes at a time when the EU is meant to be taking the lead in all sorts of theatres in which our troops are engaged. Perhaps the Minister would engage with those points, rather than making silly party political points.

Chris Bryant: The hon. Gentleman might take a look in the mirror in relation to that last comment—but let me deal first with Athos and Porthos.

Mr. Bone: Who are you?

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that moderation in their use of language would be preferable in this debate?

Chris Bryant: I am not sure whether the hon. Members for Forest of Dean (Mr. Harper) and for Wellingborough (Mr. Bone) were among the people who originally intended not to vote for the right hon. Member for Witney (Mr. Cameron) to be the leader of the Conservative party but changed their minds when a cast-iron guarantee was offered, or whether they were always in that camp. The truth of the matter, as everybody knows, is that the guarantee was made for political purposes within the Conservative party, and that now, two years later, the party has abandoned it: it is rusting on the scrap heap.

Mr. Harper *rose—*

Chris Bryant: I shall not give way to the hon. Gentleman again, if he does not mind. I have given way a considerable number of times, and I still have to reply to the hon.

[Chris Bryant]

Member for Westbury (Dr. Murrison), let alone to the hon. Member for Wellingborough's ditto. The Conservative party cannot hide from the fact that its leader went out on a limb to make a categorical statement that will bear no fruit. I shall move on to some of the other issues that the hon. Member for Forest of Dean has raised in a moment.

The hon. Member for Westbury raised a few issues that will not be under discussion next week, which is why I have not referred to them in my contribution this afternoon. On the External Action Service, a draft paper has gone around that has been available to the European Scrutiny Committee and others, but it is not until the High Representative takes up her post that she will be able to put flesh on the bones of what the treaty provides for. I believe that the EAS will be an important tool for the effective advancement of the European Union, and therefore the British interest, around the world. The EU needs to be far more effective on many issues, such as relations with China, India and the growing economies of Mexico and Brazil. It also needs to be more effective at talking about human rights in countries that are normally of specific interest to France or to us, as well as at talking in the round on behalf of all member states. So I think that once the EAS is fully developed, it will be fully in the interests of the UK.

Dr. Murrison: A little while ago, the Conservatives asked the Minister or his predecessor what the composition of the EU diplomatic corps—the EAS—would be. We wanted to know in particular which defence attachés would form part of it. Of course, we were particularly interested in British co-optees. Can the Minister enlighten us about that now that the Lisbon treaty has passed into law?

Chris Bryant: I am afraid that I cannot enlighten the hon. Gentleman on that at the moment. As I said earlier, a draft paper on the EAS has gone around, but it is very sketchy. Once the High Representative is fully in post, she will present a paper to the Council and there will then be two months for the European scrutiny Committees in the Commons and the Lords to examine it. We want to ensure that the EAS is put together rationally, that it does not seek to do things that should be done by member states, and that it reduces the inefficiencies in the current system, in which the Council has a desk officer for some countries, and several different directorates in the Commission also have desk officers for individual countries.

Ms Gisela Stuart: Will my hon. Friend the Minister help me with my arithmetic? If the High Representative does not take up her post until February, even though we have known that this has been coming for years, and if the European Scrutiny Committee will have two months to consider the proposals in terms of what precisely this will all mean, I have a strange feeling that in April, or even as early as the beginning of March, MPs might have something other than scrutiny on their minds. What provisions are there to allow the House to scrutinise the proposals if that time for scrutiny falls in the period of the general election?

Chris Bryant: My hon. Friend is wrong in one regard: the High Representative is already in post. She started on 1 December, and she and her staff will already be working on bringing forward a new text. We would like to see that as soon as possible so that the two Committees can examine it and come up with their suggestions.

Mr. Davey: I should have thought that hon. Members on both sides would have welcomed the fact that we have a Brit as the High Representative while this new service is being constructed. Britain is often late in the day on European issues, and so is unable to shape them at the early stage—but here we have a British Commissioner who can lead the creation of the EAS. That ought to give Britain and the Foreign and Commonwealth Office clout in deciding how it is shaped. That should be welcomed.

Chris Bryant: I wholeheartedly agree with the hon. Gentleman. Liberal and Labour policies on the EAS have been the same for several years; indeed, I would say that their and our argument has won the day in Europe on how the EAS should be set up so that Europe can play a more effective role on the global stage. None the less, it would be inappropriate to say that because we have a British High Representative, she will advance the British interest. *[Interruption.]* That is precisely what I said earlier.

Alistair Burt (North-East Bedfordshire) (Con): That is not what the Prime Minister said.

Chris Bryant: It is interesting that virtually every member of the European Parliament whom I met last week and the week before wanted to have a British person performing this role. I think that was because they thought that the British argument on advancing the role of Europe on the global stage had won the day.

Mr. Harper: The reason for my sedentary intervention was that I had listened very carefully to a point that the Minister made at the beginning of his speech, when he said that Commissioners do not represent the countries of which they are nationals, but represent the Commission. That is not the impression that the Prime Minister has been giving, as my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) has said. The Prime Minister has been going around saying that our getting a Briton to be the High Representative was in some way a triumph. If Baroness Ashton is to represent the Commission and the Council, how is that a triumph for Britain?

Chris Bryant: Much as I like the hon. Member for Forest of Dean, I do not think that he should sit there listening to Whips and articulating what they have just told him to say.

As I was saying earlier, we now know that the leader of the Conservative party signs his cheques in invisible ink. His promises are like dew that disappears the moment the sun comes out, and his cast-iron guarantee has been cast aside on the scrap heap. Of course, the Tory Front-Bench team knew that this was coming. That is why Dastardly and Muttley have been busy devising fiendishly clever wacky wheezes for the past couple of years. First off was the ruse to withdraw from the European People's Party; now the Tories find themselves shackled to a bunch of right-wing extremists with dodgy pasts. British business suffers because there is no British representation in the largest group in the European Parliament, and the Tories are completely marginalised

in every debate in Europe. That is most cleverly symbolised by the fact that their offices are now in an annexe off the European Parliament.

The next ruse was to throw a scrap of red meat to the Euro-headbangers. The leader of the Conservative party says that he wants to repatriate powers to the UK, especially in the area of social policy—*[Interruption.]* I think that was a "Hear, hear!" over there. But he knows perfectly well that he would need 13 other countries to agree to holding an intergovernmental conference to consider amending the treaty again. If he managed that, he would need all 27 countries to agree a new deal, and if he managed that—which is almost impossible—he would need to persuade the European Parliament, because it has a new power under the Lisbon treaty to enforce a convention. Let us face it, Muttley has not got many friends in the European Parliament these days. No wonder David Frost, director general of the British Chambers of Commerce, has said:

"We do not believe that the Conservatives' new policy to opt out of European social and employment legislation is realistic, as it would require substantial UK concessions in return".

Now, the latest ruse is to introduce a new Bill that would assert Parliament's sovereignty over EU legislation. I fear that this too will be drafted in invisible ink. Parliament already is sovereign, as anybody who has studied the history of this place knows. It can repeal the European Communities Act 1972, if it wants to. It can leave the Union, but it should not.

I know that the hon. Member for Rayleigh knows all this, because he has admitted as much on television. All he could say in defence of the so-called sovereignty Bill was that it would

"send a signal both to the ECJ and the UK Supreme Court".

I can just see him busily fanning his smoke signals to Strasbourg now, but I suspect this is more of a smokescreen than a smoke signal. No wonder Roger Helmer MEP said

"what we have is essentially a cosmetic policy".

It is clear that December's European Council will see Europe's leaders getting on with business and tackling tough issues of importance to people across Europe. It will mark the end of the institutional introspection that has dominated the Union in the past few years, and the beginning of a new era for the EU—an era focused on taking action where co-operation between European states can deliver results, an era of renewed belief in the ability of member states acting collectively to create new opportunities for the people of Europe, and an era in which Europe has a central role in global decision making.

That is why Britain is right to position itself at the heart of European decision making. It is why we must retain and enhance our ability to influence in Europe, and why we should continue to push for Europe to strengthen its ability to influence globally. Active British engagement in Europe is good for Britain, good for Europe, and has a positive effect globally. That is why this Government are determined that the UK should be leading and shaping European policy, now and in the future.

1.12 pm

Mr. Mark Francois (Rayleigh) (Con): I shall begin by dealing with a number of specific issues of European concern. First, Iran: one of the most important matters facing the nations of Europe today, and one that will rightly be discussed at the European Council, is the question of our relations with Iran.

We are deeply concerned about the Iranian nuclear programme. For more than a year Iran has refused to engage seriously with either the US or the International Atomic Energy Agency, despite the historic offer of engagement from President Obama. Given that the IAEA director recently said:

"We have effectively reached a dead end"

on Iran, we are fast approaching a point where decisions about new sanctions will have to be made. Unless Iran changes course dramatically in the coming weeks, Conservatives believe that new UN and EU sanctions should be adopted in the new year as a matter of urgency. Those sanctions should include, at the very least, a total ban on arms sales to Iran, a tough new UN inspection regime, a ban on new investment in Iranian oil and gas, and action against the Iranian Islamic Revolutionary Guard Corps. The failure to deliver on such pledges is one reason why Iran feels that it can challenge the international community with impunity, since it sees little concrete demonstration of will to prevent it from going down that path. That must change, and we need concerted EU action in that area. The Minister also realised that this is a very important topic, and I hope that when he winds up he will be able to indicate a timetable that the Government envisage for new sanctions against Iran.

Secondly, Bosnia: the situation in Bosnia and Herzegovina remains of extreme concern to us. The country is not making progress. The international community seems not to have a proper strategy and the way forward remains most unclear.

On Monday, I discussed with the Minister a new stabilisation and association agreement between the EU and Montenegro. I highlighted the fact that although there is a long way to go—and progress to date is certainly imperfect—a way forward into the Euro-Atlantic world is possible to imagine. By contrast, in Bosnia and Herzegovina the road ahead is simply blocked by inaction, and in some cases by the deliberate blocking of urgent constitutional reform. It is hugely disappointing that the SAA that was agreed with Bosnia has led to few real reforms and that important conditions remain unfulfilled.

There is now a real danger that the progress made since the 1995 Dayton peace accords may be reversed. The international community—in particular, the US and EU member states—must remain vigilant. Plans to replace the office of the High Representative with an EU special representative and to downgrade EUFOR should not be implemented until Bosnia and Herzegovina can function on its own and a genuine process of constitutional reform and the allocation of state and defence property has taken place.

If agreement can be reached, Bosnia can move forward into a process that could eventually lead to EU membership. The potential gains for the Bosnian people are huge, matched only by the potential costs of failure. It is time for the Bosnian politicians to put the interests of their people above those of sectional interests and allow the state and people to progress.

Thirdly, Cyprus: we have just celebrated the 20th anniversary of the fall of the Berlin wall, one of the happiest moments in Europe's recent history, yet on

[Mr. Mark Francois]

the island of Cyprus there is still a divided European capital city. The Minister and I have both visited Cyprus this year, and we would both like to see a settlement achieved. The current set of talks is now over a year old, and some progress has undoubtedly been made. President Christofias and Mr. Talat are meeting regularly and have discussed a range of issues, including the most contentious. There remain reasons to be optimistic that a lasting settlement can be made, but there are some clouds on the horizon.

Public opinion on both sides shows signs of shifting away from support for reunification. Further, the April election in Cyprus's Turkish community might not produce a leader as committed to reunification as Mr. Talat. Further delay in reaching a settlement could risk missing the current opening in the clouds. We recommend that the Government use the European Council meeting as an opportunity to stress to the Cypriot Government our support for a settlement and the need for both sides to show leadership in order to reach a deal.

At the forthcoming EU summit, the Government should also continue to support the principle of Turkish membership of the EU. We should be prepared to remind our European partners how damaging it could be if Turkey ever came to believe that there was no prospect of accession to the EU. We should also be prepared to raise with Ankara the need to grasp this opportunity to achieve a lasting settlement in Cyprus, perhaps through its demonstrating some greater flexibility that could be to the ultimate benefit of both Turkish and Greek Cypriots alike.

Fourthly, the Copenhagen summit begins on Monday. It is of historic importance. It is an opportunity for the world to take bold action to deal with the real danger of climate change, and tackling climate change is rightly at the top of the EU's agenda. Any such successor deal agreed to at Copenhagen must be a rigorous one that binds the world in a common commitment to keep the rise in global temperatures to below 2° C. Any such deal must find an international mechanism to help people in the world's poorest countries protect themselves against future floods and famine, and stop the destruction of the rainforest—the green lungs of the planet. We hope that, with our European partners, we shall obtain such an outcome next week.

Reference was made to a vote on climate change in the European Parliament last week. For the record, I should like to add that 13 members of the Liberal Democrats' Alliance of Liberals and Democrats for Europe group abstained on the motion, while five members of the socialist group—including a number of Polish MEPs with whom the Labour party is allied—voted against. I think that it is important to hear about the voting records of all sides in this particular debate.

Mr. Evans: Does my hon. Friend agree that if Members of the European Parliament wish to contribute to preventing climate change, the best thing for them to do is to stop the awful circus of travelling between Strasbourg and Brussels once a month? They should settle down in Brussels and stop that ludicrous waste of money and energy.

Mr. Francois: I agree with my hon. Friend. There is a tremendous environmental cost in moving from Brussels to Strasbourg. Outside most MEPs' offices at the European Parliament in Brussels, as my hon. Friend the Member for Scarborough and Whitby (Mr. Goodwill) will recall, are what are called Strasbourg boxes. Once a month, MEPs put everything in the boxes, travel down to Strasbourg, unpack, carry on there, and then repack them and come back. If MEPs of all parties are really committed to fighting climate change, they could send a powerful signal and save a tremendous amount of carbon by not travelling from Brussels to Strasbourg every time. My hon. Friend makes a good point.

Ms Gisela Stuart: Far be it from me to defend the European Parliament, but that is one of the few matters on which the Brits suggested that we move to qualified majority voting. However, certain other Governments thought that the seats where the European Parliament meets ought to remain decided by unanimity; it is not entirely MEPs' fault.

Mr. Francois: I realise that the fact that we have two seats is established within the treaty base and would require unanimity to change. The hon. Lady follows such matters closely, and she is right. However, I reiterate that that does not mean that we should not change it.

The major development since the House last debated European affairs is the entry into force of the Lisbon treaty. It is worth recording the original terms set for the project by the Laeken declaration of December 2001. That document stated that

"the European institutions must be brought closer to its citizens"

and that the peoples of Europe

"feel that deals are all too often cut out of their sight".

The declaration called for more democratic legitimacy in EU institutions. It is now clear that in those original terms, at least as far as this country is concerned, the treaty project has been a lamentable failure.

The treaty's entry into force is a matter of regret to Conservatives and should be to the Government as well, if they were in any way consistent. It is a matter of public record that this Government sought to make 275 amendments to the original EU constitution's text, to which it is almost universally agreed that the Lisbon treaty is substantially equivalent. Of those, 27 were accepted. A treaty is now in place, but the Government objected profoundly to many of its provisions in the first place.

Kelvin Hopkins: One hears the phrase about bringing Europe closer to its citizens across the whole European Union, yet on the occasions when it is brought closer to its citizens—through referendums in France and Holland, in Sweden on the euro before that, and perhaps in Britain in future—the citizens of Europe tend to take a negative, rather than a positive, view.

Mr. Francois: We should not forget the first Irish referendum either, if the hon. Gentleman is compiling a list.

Chris Bryant: Or indeed the Spanish referendum.

Mr. Francois: Would that be the same Spain that is not a member of the G20?

One immediate change brought about by the Lisbon treaty is the establishment of the new presidency of the European Council and the enhanced High Representative. We in this party are pleased that our view that the President of the European Council should be a chairman and not a chief was widely shared in many European capitals. As the Prime Minister was forced to admit, the role of President of the Council has now been redefined.

It would also be churlish not to express our gratitude to the Foreign Secretary for his decision to champion Tony Blair in his campaign for the presidency. It was strongly our view that the former Prime Minister was exactly the wrong man for the job. Not only would his appointment dramatise the treaty's lack of democratic legitimacy, but to make so ambitious and limelight-hungry a politician the office's formative first occupant—he is even more so than the current Minister for Europe—would have shaped the post as an unconstructive centralising institution.

In the EU, the front-runner seldom gets the job. By doing everything that he could to make Tony Blair the front-runner, the Foreign Secretary did a great deal to undermine his case. Characterising him as the man who could stop the traffic in Washington and Moscow helpfully crystallised everything that many countries did not want the President to be and implicitly put down the other candidates. The Prime Minister's people skills are obviously rubbing off on the Foreign Secretary.

We congratulate Baroness Ashton on her appointment. It is interesting that she was the Government's third or even fourth choice for the job—I will return to that in a minute—but we appreciate the appointment of someone able to work across the political divide. Some have criticised her for a lack of experience in foreign policy, but we know that she possesses a keen intelligence, and we are prepared to work with her in the British national interest.

As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) warned the Government before the summit, however, they should have sought for Britain not the position of President of the Council or High Representative, but a major economic portfolio in the European Commission. Recent events have borne out the wisdom of that warning, as Lord Mandelson belatedly grasped. The whole saga of the appointments to the European Commission and other positions demonstrates this Government's lack of influence in the EU, lack of strategy and disunity.

The Government received no support for Tony Blair's candidacy from their socialist allies. They were talked into seeking the High Representative position. It is reported that the Prime Minister agreed not because he thought that Britain's interests would thus be best served but because he thought that it might secure better headlines. According to one key figure, there were two groups in the Government: those who made the real-world argument that the UK's interests would be best served by securing a strong economic portfolio to protect the City, and the media managers. It is, sadly, no surprise that this Prime Minister preferred to listen to the media managers. Once again, his preference for short-term personal political calculation has trumped the national interest.

Many will also find it extraordinary that the Prime Minister of this country was reduced to accepting his third choice of High Representative before he could find someone acceptable to the Party of European Socialists. They will find it even more extraordinary that the First Secretary of State, it is said, conducted his own campaign for the job and that even with his skills he was unsuccessful. As No. 10 was trying to push one set of candidates for the job, it appears that the First Secretary was trying to press another, namely himself. When the Minister winds up, will he tell the House whether the Foreign Office supported Lord Mandelson in his efforts to bow out of this Government for a new berth in Brussels?

Michael Connarty: I fear that the hon. Gentleman is coming across as a smaller and less tanned Simon Cowell from "The X Factor" rather than as a shadow Minister debating the facts of the case. He is discussing personalities and not what has come out of the process. Does he not welcome the fact that the Council has clearly decided to downgrade the presidency to mere chairmanship of a committee, he expressed fears during the debate on Lisbon that a super-powerful President would speak for Europe and take away the power of the Prime Ministers of the European national Parliaments? He cannot have it both ways.

Mr. Francois: I will reply to the Chairman of the European Scrutiny Committee, who always takes a close interest in these debates and is, as usual, in his place, where we expect him to be. There are questions for the Government to answer. They ask whether we have influence in Europe relative to them. They put tremendous effort into advocating that Tony Blair be President of the Council. The Prime Minister backed him publicly for weeks. We said publicly and plainly that we did not believe that he was the best candidate for the job, setting out our reasons clearly. At the end of the day, it was apparent that many European Union countries agreed with us and not with the Government, or indeed the Prime Minister, so we are reluctant to take any lectures from Labour Members about influence in Europe.

Mr. William Cash (Stone) (Con) *rose—*

Michael Connarty *rose—*

Mr. Francois: I will give way to my hon. Friend, and then once more to the Chairman of the Select Committee, out of respect for him.

Mr. Cash: In relation to the question that my hon. Friend just answered, has he considered what happened at the moment when former Prime Minister Tony Blair resigned in mid-June 2007? The Foreign Secretary was left out of the loop in discussions as we moved towards signing the Lisbon treaty. The matter was taken over entirely by the Prime Minister. Furthermore, the so-called mandate, to which the current Prime Minister clearly objected originally, suddenly went through. The net result was that the Prime Minister at the time, Tony Blair, got himself into a position in which the Lisbon treaty would be signed in return for the current Prime Minister's agreement that he would allow the treaty to pass without a referendum, therefore effectively betraying the British people.

Mr. Francois: Labour's denial of a referendum betrayed the British people—that is clear—but it is not unknown for this Government's Foreign Secretary and the Foreign

[Mr. Francois]

Office to be isolated. Another example is the bizarre position that when No. 10 first tried to press for Tony Blair, the Foreign Office agreed, even though the Minister for Europe, notoriously, put together a letter signed by Labour MPs a couple of years ago to try to get Blair to stand down as Prime Minister and leader of the Labour party.

The FCO was then out of the loop: No. 10 was pressing for Baroness Ashton to become the High Representative, and over in the First Secretary's apartments the phones were buzzing because he was pressing the case for himself. The Foreign Office was isolated not only in Europe, but in Whitehall. Increasingly, the Foreign Secretary feels nervous because, it is reported, the First Secretary of State would like his job. I wonder whether the Minister would like to comment on that when he winds up the debate later today.

I promised to give way to the Chairman of the European Scrutiny Committee.

Michael Connarty: I respect the hon. Gentleman, his diligence and the fact that he normally deals with matters of substance, so I am still troubled by his wish to dance around on the issue of personality. It may play better in the press, but it is not what this issue is about. Will he at least concede the fact that the European Council of Prime Ministers decided to downgrade the position of President of the Council to that of chairman of a committee, and not to give the position the power feared by those of us who did not wish to have a President of Europe who spoke on behalf of Europe and took over from the Prime Ministers in national Parliaments?

Mr. Francois: I have been called Dastardly about three times in this debate.

Chris Bryant: Muttley.

Mr. Francois: It was Muttley. Anyway, the hon. Member for Linlithgow and East Falkirk (Michael Connarty) can hardly accuse me of reducing the debate to personalities. The Minister has been reducing it to cartoon characters, and he seems to call that parliamentary debate.

Mr. Harper: My hon. Friend made the case about the way in which the Foreign Office has been isolated in Whitehall. That was an issue of policy and substance. It is very interesting to note that in an interview published on labourlist.org, the former Minister for Europe, the right hon. Member for Don Valley (Caroline Flint), made it clear that when she was in that position, with the right to attend Cabinet when Europe was discussed, she spent

"eight months without being invited to discuss Europe at full cabinet meetings and never being invited at all to political cabinet meetings."

It seems to me that having a Europe Minister who is never invited to discuss Europe at Cabinet does not say much for the seriousness of any Foreign Office influence within this Government.

Mr. Francois: My hon. Friend makes a very good point, and it will be interesting to see whether the Minister wants to say anything about that when he winds up the debate later this afternoon. I suspect probably not. As I warm to that theme, I note that there has been a very high turnover of Europe Ministers in the Labour party. I have been doing this job for about two and a half years, which makes me a comparative veteran. I have shadowed four different Europe Ministers in that time, and I think that Labour is on to its 12th Europe Minister since 1997.

Keith Vaz: *rose—*

Mr. Francois: Here comes another one. If we wanted to hold a reunion of all the Labour Europe Ministers, we would have to book quite a large room. The Government lecture us on influence in Europe, but, if they are trying to make friends and influence people, why do they keep rotating that job so fast?

Keith Vaz: Will the hon. Gentleman give way?

Mr. Francois: I am sorely tempted—but no.

Keith Vaz: I was going to help you.

Mr. Francois: Okay, you've talked me into it. *[Interruption.]*

Madam Deputy Speaker: Order. Could we please have this debate conducted properly? Let us leave all the characters out—wherever they come from.

Keith Vaz: I am most grateful, Madam Deputy Speaker, and I shall leave out all the characters.

The hon. Gentleman is absolutely right: it is important that Ministers be in position for a time. I hope very much that the new Minister for Europe will be in position for a long time, because that is how relations with other countries are built up. I also agree that the Europe Minister's job ought to be a full Cabinet position.

Mr. Francois: I am grateful for those comments—particularly the last one. I was kind enough to let the right hon. Gentleman intervene, so if he were to drop a line to my right hon. Friend the Member for Witney (Mr. Cameron) I would be indebted unto him for that.

Returning to the First Secretary of State and the business of appointments, I think that the First Secretary realised, after he did not get the High Representative's job, that a further blunder had been made. He wrote in the *Financial Times*—a week after my right hon. Friend the Member for Richmond, Yorks had written in that publication—that

"the distribution of the big economic portfolios in the next European Commission"

is

"critically important...The men and women that José Manuel Barroso, Commission president, appoints to key dossiers such as competition, the internal market and trade will carry much weight in defining the direction of EU policy.

We know what followed. Against this Government's belated objections, Michel Barnier was appointed as the Internal Market Commissioner. Against this Government's further objections, his portfolio includes financial services. Both the Prime Minister and the President of France had a number of conversations with Mr. Barroso about that portfolio, and it is clear that the Commission President took a great deal more notice of his conversations with the French President than he did of those with our Prime Minister. The French President now says that

"the English are big losers in this affair"

and that

"French ideas for regulation are triumphing in Europe".

It is clear that this Government have been comprehensively outmanoeuvred by the French, and that this country is now left playing catch-up.

That leads us on to the financial services industry and its relations with the EU. The financial services industry is a vital national economic interest, and to further it we need to learn the lessons from the crisis and improve the global co-ordination of supervision and regulation. However, as Mervyn King said,

"banks are global in life, but national in death".

Bank failures can have fiscal consequences—something that we are only too familiar with in the United Kingdom. That means not only that European co-operation is essential for the promotion of financial stability, but that we must safeguard taxpayers' interests when it comes to decisions that the new European authorities make. That must remain the clearest of red lines.

Yesterday's ECOFIN conclusions seemed to be clear:

"decisions taken by the ESAs"

—European Supervisory authorities—

"should not impinge in any way on the fiscal responsibilities of the member states."

The Chancellor claims now to have secured his red line, but that represents staggering complacency when we look beyond the press release and into the detail. The new supervisory bodies can make decisions that have a fiscal impact either in a crisis or as a consequence of binding mediation. However, to overturn such decisions, the UK will need to secure the support of a majority of member states under qualified majority voting. We have no veto over those decisions, and as one EU official put it:

"The real concession is that burden of proof will rest with Britain".

That makes it very clear that the real loser from yesterday is the Chancellor of the Exchequer and the British taxpayer.

Sadly, that complacency is indicative of the Government's broader approach. We have seen it before over the alternative investment fund managers directive and the appointment of the Internal Market Commissioner.

Chris Bryant: I want to correct a mistake that I think the hon. Gentleman has made—probably because he was going on an earlier draft, rather than on the conclusions yesterday. The situation to which he refers would not involve a qualified majority; it would involve a simple majority.

Mr. Francois: If that point is correct, I accept it. Nevertheless, the principle still exists whereby we do not have a veto, and the burden of proof still lies with Britain in that situation.

As I was saying, that complacency is indicative of how the Government under-performed on the AIFM directive and on the appointment of the Internal Market Commissioner. There is a pattern of the Government failing to get stuck in until it is too late. That is why we would appoint a senior Treasury Minister to spend as much time as needed in Brussels, and a Conservative Chancellor would actually attend ECOFIN meetings to restore our credibility and authority at the negotiating table. It is time that the UK took its responsibilities more seriously in that area.

We need a better approach in Europe, and that includes sorting out the mess that we have been left with by Labour over the Lisbon treaty. My right hon. Friend the Leader of the Opposition has set out our proposals to sort out what we can of that situation. Our domestic proposals include a referendum lock on any future treaty that transfers competences from Britain to the EU; a primary legislation requirement for the use of any passerelle or bridging clause; and a sovereignty Bill to enshrine in law where ultimate legislative authority lies—the Kompetenz-Kompetenz issue, as German lawyers call it. Those proposals will greatly strengthen the EU's democratic accountability in this country and ensure that a treaty never again hands areas of power from Britain to the EU without popular consent.

We have also set out proposals for three British guarantees to fix the most damaging points of the Lisbon treaty and other outstanding issues where the EU's remit is unnecessary and problematic. Those proposals include a proper opt-out from the charter of fundamental rights, a restoration of the European Court of Justice's limited jurisdiction over criminal justice, and the return of Britain's opt-out from social and employment legislation in those areas that have proved most damaging to our economy and public services.

Chris Bryant: Will the hon. Gentleman give way?

Mr. Francois: In a moment.

The right hon. Member for Leicester, East (Keith Vaz), in his memorable time as Minister for Europe, famously said that the charter would have no more legal weight than *The Beano*. The former Prime Minister Tony Blair told this House in 2007 that it was

"absolutely clear that we have an opt-out from both the charter and judicial and home affairs".—[*Official Report*, 25 June 2007; Vol. 462, c. 37.]

The Government were subsequently forced to admit that they had obtained not an opt-out but a clarification, and that admission was made in exchanges with the European Scrutiny Committee, as I recall. So we ought to expect the Government's support on this point, which is about establishing in reality what the Government wrongly claimed to have obtained in the first place. On that point, I give way to the Minister.

Chris Bryant: I wanted to intervene on a previous issue. I was going to correct the hon. Gentleman again on the passerelle point; as he knows perfectly well, that is already provided for in UK legislation. May I ask him a very simple question? Does he believe that any of the requirements for which he is arguing would need treaties to be changed?

Mr. Francois: The passerelles require unanimity, but as we argued when we debated the Lisbon treaty, passerelles should be enacted only on the basis of primary legislation in this Parliament. The Government did not accept that; as I recall, they left things so that passerelles could be enacted through what would effectively be a statutory instrument, after a debate of only 90 minutes.

Chris Bryant: That is a vote.

Mr. Francois: It is, but it is not primary legislation; that is the difference—allow me to correct the Minister on that point. Allow me also to correct him on the charter of fundamental rights, which I was just discussing. The Czechs asked for an opt-out from the charter of fundamental rights. They were told that the Council gave them a political decision to achieve that and they were then told that that could be attached to a future accession treaty as a protocol, which would give the opt-out full legal weight in international law. There is already a precedent for that methodology, and we would seek to follow it; if it can be offered to the Czechs, it can be offered to us.

Michael Connarty *rose—*

Mr. Francois: I give way one more time to the Chairman of the European Scrutiny Committee.

Michael Connarty: Unfortunately, there are no other Select Committee Chairmen here, but if there were, they could confirm that the Prime Minister gave a categorical assurance to the Liaison Committee that passerelles would be enacted only following a decision on the Floor of the House. In fact, only on the basis of a positive resolution in this House and the House of Lords would passerelles be enacted, and would a veto be given away in favour of qualified majority voting. Our Government have given a guarantee that they would not vote on a passerelle until such a positive resolution was carried in both Houses.

Mr. Francois: I have not been in the House for as long as the hon. Gentleman, but I know the difference between what he is describing and an Act of Parliament. We would require a full Act of Parliament before any passerelle was enacted; that is a significant difference. The issue could be debated at length in this House and the other place, and it would go through a Committee stage. Thus, giving up a passerelle, which we are not minded to do in any event, would be subject to full parliamentary scrutiny rather than being rammed through the House with minimal debate on a three-line Whip.

Mr. Cash *rose—*

Mr. Francois: I give way to my hon. Friend.

Ms Gisela Stuart *rose—*

Mr. Francois: I have given way quite a few times. I give way to my hon. Friend, who I believe may know a little about the issue.

Mr. Cash: The sovereignty Act that we are proposing also deals with the passerelle question. I do not want to put my hon. Friend directly on the spot, because this is a matter for the leader of our party as well as for the party as a whole, but does he not tend to agree with me—I urge him to agree with me very much—that such a sovereignty Bill would have to be totally comprehensive to ensure that we reaffirmed the sovereignty of this Parliament? We would need to guarantee that, as with other supremacy of Parliament amendments put forward by me—amendments that have already been endorsed by our leadership—any future changes that we may wish to make in relation to European legislation would be carried through.

Mr. Francois: The point of a sovereignty Bill is to guarantee the ultimate sovereignty of Parliament. My hon. Friend and I have discussed the matter before and I suspect that we will do so again. Nevertheless, the Minister has said that he does not think that there is a real issue. I offer him the judgment of the German constitutional court, not a court in this country. When the Germans looked at the issue while ratifying the Lisbon treaty, their judicial system raised serious flags about the growing influence of the European Court of Justice. The Minister may not agree with that court, but he cannot pretend that that judgment did not take place. There are issues that need to be addressed.

Mr. Davey *rose—*

Mr. Francois: I shall make a bit of progress now; I have given way many times.

We ought also to expect Labour support for limiting the remit of the European Court of Justice over criminal justice. Three years ago, the right hon. Member for Airdrie and Shotts (John Reid), then Home Secretary, said that the Government's view was that the EU's competence on that issue should not be extended. We plan to reinstate that position, which the Government have so weakly abandoned.

This is likely to be the last European affairs debate before the general election. It takes place against a certain background: the European Union's standing in this country has never been lower, and I regret that fact. The explanation is simple. Under this Government, the European Union has become something that is often perceived to be done to the British people, not by them. More decisions to which the British people have never assented are now being taken at European level.

If, as I hope, the British people entrust my party with the government of the country at the next election, our task will be to put that right, to show that powers can be returned from the EU to a member state, to put Britain's role in the EU on a more positive footing and to give British leadership on the great issues that European countries face together—energy security, climate change, global poverty and global competitiveness. It will be our task to give the British people a European policy in which they can believe. We will seek a positive mandate for those changes at the general election. If that mandate is granted, we will seek to achieve them in government thereafter.

1.46 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am grateful to be called to speak in this debate. Unfortunately, when the financial regulations were being debated I was leading the European Scrutiny Committee on a pre-presidency visit to Madrid; I would like to have spoken during those debates. The Chair of the Treasury Committee was also elsewhere with his Committee, and he might have made a vital contribution.

The House wishes to pass a motion stating that it has considered the matter of European affairs. I hope it will agree that such consideration would not be complete if

we did not give consideration to the process of parliamentary scrutiny. I shall come to that issue, in my capacity not only as Chair of the European Scrutiny Committee but as one who has an interest in the effect of the Lisbon treaty. I described that treaty as a tipping point, and I stand by that. It has changed the geography and processes of not only what will happen in Brussels but, I hope, what will happen in this House and elsewhere.

First, I should like to raise a few matters of substance to underscore the fact that we need changes to the structures to assist effective scrutiny. I turn to what I think are agreed to be the three new supervisory or watchdog committees on insurance, banking and the securities market in Europe. Those who, like me, have followed the process for many years will see that they are just beefed-up Lamfalussy committees. There was already the Lamfalussy supervision process, which proved inadequate, just as the supervision and regulation in this country was inadequate for dealing with the inventiveness and gambling of the banking, insurance and derivatives markets that brought this and many other countries to the serious position they are in, with massive public debt and taxpayers owning many of the banks.

For some reason, we have been unable to prevent banks from doing certain things; I noticed that Royal Bank of Scotland has put aside £940 million for bonuses, yet it has just been revealed that it might be exposed to the tune of £2 billion to the Dubai debacle; I think that the total is £5 billion among British banks, even with the latest scrutiny process.

The agreement on a European systemic risk board has not been mentioned. That would be a gathering of all the EU's 27 central bankers to try to do something consistently across Europe. I do not wish to score points about the weakness of Government or the failures of the regulatory authorities at our own level, but we should welcome that board. Together with the Americans, with the gambling nature of their banking, insurance and derivatives markets, we almost brought down the world's economies to the same degree as happened during the great depression.

I know that Opposition Members would not say this, but, as was mentioned in debates before the Council last November, without our Prime Minister leading Europe and giving a clear lead to the President of the United States, we would have ended up in a massive depression. It appears to me that allowing some other people a say and oversight in respect of the behaviour of our banking, insurance and derivatives markets is not very much to give up from London.

The European Scrutiny Committee will retain—and, I hope, use more and more—the right to call for an opinion from a Select Committee that specialises in another area of policy. We called for an opinion from the Treasury Committee, and that led to its inquiry and, I hope, fed some common sense into the debate on Tuesday.

I want to mention some matters that may seem minor but that are important to our constituents. If most of them read this debate up until this point, they would wonder whether Front Benchers live in the same world as they do. It was point scoring and personalising—more like "The X Factor" than a serious debate about what affects people's lives. For example, in 2005 the European Commission ruled that it was illegal for European citizens not to be paid the same wages and for people in the shipping industry in my area of Scotland not to be given the minimum wage. That is an important matter that was debated yesterday in relation to an amendment to the Equality Bill. However, it is still possible to use non-EU citizens, and such people are being paid £1.27 to sail boats between the islands and the mainland of Scotland. The Commission could ban that for people in the EU so that it would not happen to people who came from the A8 accession countries to work in the offshore industries. My constituents would welcome that. The TUC and the Scottish TUC are campaigning strongly to have such a provision extended to everyone through the Race Relations Act 1976. *[Interruption.]* I have just been told that there is a 15-minute time limit on speeches. That is not necessarily welcome, but useful to know.

Another apparently minor matter is the use of the European globalisation fund, which I have raised with the Scotland Secretary. That has become a fund into which people from different countries are dipping to mitigate the effects of recession, not necessarily the effects of the globalisation process. In the European Scrutiny Committee, we have insisted that such instances be reported to the House, in what we call an "A" brief, whenever they occur, because they are matters of interest. Some have been very serious. For example, in the automotive industry, when Saab lost more than 4,000 jobs Sweden asked for a contribution from the fund. Ireland got a substantial sum of money when Dell decided to pull out one of its factories. It was remarkable to find that the Netherlands got about £1 million following 570 redundancies in a construction company. Given the massive loss of employment in this country, if that is what the money is available for, we should be asking for it. Every time these funds are paid out, there is a net contribution from the UK. We should be similarly asking for funds, but for some reason the Government are not doing so. I have particularly made the point that we are losing to Ireland 500 jobs at Bausch and Lomb, which makes contact lenses. We hear that Ireland is getting money, while we are losing jobs. There is something wrong with that, and we should look at it seriously.

Let me turn to matters in the Committee's remit that we have been raising with the Government. First, I want to talk about enlargement. Most recently, that has centred on learning the lessons of the accession of Bulgaria and Romania, both of which, in the estimation not only of our Committee but of the Commission, still have an enormous amount of work to do in creating an independent judiciary and a system of governance that can and will tackle corruption and organised crime. We said at the time that those countries were allowed in too early, and they have been backsliding since. We have recently expressed to the Government a firm view about Croatia, which is next in line unless it is over-leaped by Iceland, which is looking for a rescue package for its financial crash. We say that Croatia must demonstrate actual conditionality. In other words, before accession, it must have a strong track record of effective implementation of the necessary machinery and success in tackling the ills that continue to blight it—that is, a fully functioning legal system and a track record of tackling corruption at the highest level.

Keith Vaz: I am grateful to my hon. Friend for bringing a sober approach to the debate without references to "Guys and Dolls", "Wacky Races", or any other

[Keith Vaz]

such films—wonderful though they are, of course. Has his Committee considered the possibility of a formal twinning arrangement between existing member states and applicant countries or those that are new entrants to the EU? One of the problems is that once they join, we leave them very much on their own, but they need that kind of support. We welcomed Romania and Bulgaria entering, although I take his point about the timetable—but when such countries join they need additional help.

Michael Connarty: That is a very sound request and I hope the Government have listened to it. I am not sure that that facility does not already exist. I would hope that our diplomatic and foreign services are helping countries as they approach membership of the EU, and then afterwards when they are in it. From the parliamentary point of view, we have warmly welcomed the fact that our Clerks often go to countries that wish to enter, particularly to look at how they scrutinise and deal with European business. Having returned yesterday from Madrid, I have to say that we are the envy of most other countries, where scrutiny does not exist in the way it does here.

I will give a few pieces of evidence from the material I am drafting for our annual report. In our Committee, we have dealt with more than 920 documents coming from the EU. We have written reports, 456 of which have been published online and also given to this Parliament. We have referred 72 of those documents for debate in our European Committees, and we have called for, and had, debates on the Floor of the House on four occasions in the past year. Apart from those that claim to be mandating Parliaments—those of Sweden, Finland and Denmark—I do not think any other Parliament can show a better track record on Government scrutiny.

Mr. Goodwill: Does the hon. Gentleman agree that it might be more effective if Parliament got involved at an earlier stage, because in many cases the legislation is almost done and dusted before it comes to this place?

Michael Connarty: My hon. Friend—I regard him as a friend—has a very balanced view about these matters and many others that we share an interest in. I think we have a potential for earlier intervention that may be denied us if some of our Committee's requests are not listened to by the Government.

We are concerned about what is happening post-Lisbon; I am sure that Opposition Front Benchers will say, "We told you so." The main problem is that the Lisbon treaty creates a whole new concept of non-legislative Acts. Those need to be properly scrutinised. They will be decisions of the Council rather than legislative Acts. Unfortunately, Lisbon does not refer to their having to be scrutinised in any of the processes. We are requesting the policy papers that lead to the common foreign and security policy, which has been a concern of many Members, and the European security and defence policy, which will now not be legislative Acts. We are asking for a change in our Standing Orders specifically to say that legislative Acts and non-legislative Acts will be referred to our Committee for the scrutiny process.

Another aspect that we are concerned about is the new European External Action Service, which will become an acronym of some kind and we will not remember what it means two months from now. Again, that was required on the basis of a Council decision, and it needs to be properly scrutinised. There are major uncertainties about the External Action Service. Will it be a Commission entity, or will it sit somewhere indeterminate between Council references and Commission references? We have to get that cleared up. What will its external delegations do? Presumably they will promulgate the new common security and defence policy, but under which supervision method, at European level and at national Parliament level?

There has always been a mystery about this. A previous Defence Secretary and Europe Minister has defended the right of the Government not to give our Committee access to these papers on the ground that what is happening in foreign policy and defence is far too sensitive for Parliament to know about, which is of course ridiculous. Perhaps I am paraphrasing what the former Minister said, but I am certainly quite clear about what he meant. *[Interruption.]* Add the two ministerial positions together to work out which former Minister it was—that person held both. I am not into personalities, I am much more into the substance of what is said.

Will the new European External Action Service missions be responsible for delivering EU aid, and how will that cut across the role of the Department for International Development and the interest of national Parliaments? All that must be brought to us for proper scrutiny before the Council's decision is reached, and I hope that the Government will take those matters on board in the forthcoming negotiations and discussions about what we should do to our Standing Orders.

There is also the problem of derogations from the eight-week period for parliamentary scrutiny. The Lisbon treaty extended that from six weeks, but it was then agreed that if there were exceptional circumstances, Parliaments would not be given those eight weeks. Those exceptional circumstances will not be available to us to debate, because the decision will be taken in the Council. It will decide, "This is an exceptional matter. We are not going to give the Parliaments the eight weeks we promised to scrutinise this process". That is very dangerous, and I should like an assurance from the Minister and the Government that they will not allow that to happen and will veto any proposal to take away this Parliament's power to have eight weeks to scrutinise anything coming from the Council.

Chris Bryant: I cannot give an absolute assurance on that, but I shall refer in my winding-up speech to some of the matters my hon. Friend is raising. May I suggest one way in which the European Scrutiny Committee can be very helpful? As he says, many member states do not carry out the parliamentary scrutiny that his Committee and Lord Roper's Committee do, which is one reason why they do not believe there is any necessity to adhere to the eight-week provision. Anything he could do to persuade other Parliaments to take up the scrutiny role that he has would help to ensure that that period is adhered to as faithfully as possible.

Michael Connarty: Indeed, and I end by paying tribute to the Minister, who has told us in evidence that he has tried to persuade the presidency of the Council and other member states that unanimity, and only unanimity, should be required for a decision to make an exception

to the eight-week rule. He stands in good light on that matter. I pay tribute to him for standing up for the right of national Parliaments, and I hope there will be an opportunity for the Council to amend its new rules of procedure before long. That is what we are calling for, because they should require unanimous agreement and thereby safeguard the scrutiny process. Good scrutiny makes for good laws and increased Government credibility.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next hon. Member, I say to the House that Mr. Speaker has put a 15-minute limit on all Back-Bench speeches. Unfortunately, for some reason it is not on the annunciator, but it will be soon. That will apply from the next Back-Bench speech.

2.3 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): First, I apologise to the House for the fact that I will not be here for the winding-up speeches.

I hope that this will not be the last European affairs debate before the election, because it is important that we debate European issues as much as possible. I agree with the hon. Member for Linlithgow and East Falkirk (Michael Connarty) that we need to improve the scrutiny of European matters in the House, so I welcome these debates. I actually believe that we should have a special Question Time for European affairs, which can get lost in Foreign and Commonwealth Office questions. Nowadays European affairs do not relate simply to the FCO, so it is important that we have more frequent chances to question Ministers on them on the Floor of the House.

This is a significant moment for the European Union, with the Lisbon treaty coming into force. It enables the EU to put institutional wranglings behind it and deal with issues of substance. This month we will see that it is able to lead at the Copenhagen summit. The Minister touched on that in some detail, and I strongly agree with his remarks. The Lisbon treaty and the developments in the EU over a period of years have enabled it to show strong leadership, which we hope will enable at least a political agreement to be reached at Copenhagen. Leadership in the global economy is also important, and the EU can provide both by agreeing among the 27 member states and through some of those member states going to meetings such as the G20. It is now more able to show the leadership that the world needs.

This is also a significant time for European policy within British politics. One party, the Conservative party, will probably have the most anti-European general election manifesto of any party since the Labour party in 1983, when it wanted to pull out of the EU: it could not get more anti-European than that. It appears that there will be a debate at the coming election about the future of Britain in Europe, not least because of the position that the Conservative party has taken.

I wish to deal first with the European dimension and the issues of substance at the European Council in recent times.

Mr. Francois: The hon. Gentleman mentioned manifestos. I am sure that he will be aware that on Tuesday, a previous leader of his party, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) announced on *The Daily Politics* that the Liberal Democrats had abandoned their policy of an in-out referendum on the EU. That was backed up, when chased by the BBC, by a party spokesman, who is quoted as saying that it was now a "completely different political landscape", and that as a "pro-European party" they wanted to concentrate on making the Lisbon treaty work. Can the hon. Gentleman confirm whether the Liberal Democrats have abandoned the in-out referendum?

Mr. Davey: I am grateful to the hon. Gentleman for that intervention, although he did not let me in when I wanted to intervene on him. I shall speak about that matter in some detail, but I will tell him in advance that the BBC website was inaccurate on two counts, and I am happy to allay his fears that our position has changed. I give him advance notice that I shall want to find out how he defines "cast-iron".

Mr. Francois: Will the hon. Gentleman give way?

Mr. Davey: No, the hon. Gentleman can come in later when I deal with that issue.

The Minister was right to talk about the matters for discussion in Europe being jobs and growth. We also need to discuss climate change, external relations and co-ordination on crime. The implementation of Lisbon, though, will inevitably dominate over the next few months, and we have seen some of the initial decisions on it. We strongly welcome the appointment of Baroness Cathy Ashton, who is well qualified for her post. I would say to the Government, though, that the Foreign Secretary was ill advised to talk about wanting to see a European President who could stop the traffic in Beijing, Moscow, Washington and so on. That is not what he told the House when he was trying to get the Lisbon legislation through, when the Government talked about the roles of European President and High Representative as being chairmanship roles. It was wrong of him to be so inconsistent when it came to the appointments to those posts. I have to say that he was completely unsuccessful with respect to the former Prime Minister—and like the hon. Member for Rayleigh (Mr. Francois), we are delighted that he was.

The European External Action Service is incredibly important, and as I said in an intervention, while I have no doubt that Cathy Ashton will ensure that she represents the whole EU, the fact that she comes from Britain, with our experience and expertise, is most welcome in the setting up of such as system.

Chris Bryant: I just want to congratulate the hon. Gentleman and his group on securing so many Commissioners. Despite there not being 10 liberal Governments in Europe, they managed to secure 10 liberal Commissioners.

Mr. Davey: I am grateful. That is in strong contrast to the group in the European Parliament that the Conservative party is in; I think that is the point that the Minister wanted me to make in response to his intervention.

I turn to economic issues, and particularly financial services, which have been of interest in the past few days. There has been concern in the press, which the hon. Member for Rayleigh rightly mentioned, about the French Commissioner Michel Barnier being appointed

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to the directorate-general of the internal market. Colleagues in the House and outside are right to raise concerns, but my only request is that they do not overdo them. First, the top civil servant in that directorate-general who will advise Michel Barnier is a Brit, Jonathan Faull, so there will be a British representative at the table when things are discussed.

As one Conservative Member rightly pointed out, the chairman of the internal market committee in the European Parliament is Malcolm Harbour. I concur with others who have said that he is a very good Member of the European Parliament and that he represents British interests extremely well, albeit from a Conservative position. I believe that co-decision making—no doubt the Tories opposed that when it was proposed, but it is in place—will enable the committee to have a real say and to prevent the introduction of measures that are against the City's interests. I would also point to a Liberal Democrat MEP, Sharon Bowles, who is chair of the economic and monetary affairs committee, which also deals with matters that affect the City. She is extremely strong. She is extremely well respected in the City and across Europe for standing up not only for British interests, but for a sensible single market in financial services.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): The hon. Gentleman mentioned Mr. Faull, who indeed has experience. He has worked for the Commission for about 30 years—but does he know anything about the workings of the City of London or financial matters?

Mr. Davey: The House will not be surprised to know that I do not know the full CV of the civil servant Jonathan Faull, but the issue—at least, this seems to concern other Conservative Members—is surely whether the British interest will be heard. Clearly, Jonathan Faull is a British civil servant.

The other reason why I think people are getting a little bit overheated over Michel Barnier is that one person does not decide the laws in Europe. The Commission itself contains checks and balances; Commissioners have to agree before directives are put forward. The directives then have to go through the Council and the Parliament. With the co-decision process and with Brits chairing the two key parliamentary committees, I think we can be relatively reassured. If people are in any doubt about the power of the Parliament, I refer them to the draft directive on hedge funds—the alternative investment fund managers directive—which has understandably caused a lot of consternation.

The draft directive went to the European Parliament, and the economic and monetary affairs committee, which is chaired by a Liberal Democrat MEP, commissioned, and in recent weeks published, a damning report on it, saying that the impact assessment that the Commission put forward was unacceptable. My colleague Sharon Bowles is leading the fight to ensure that the directive is not passed in its current form. That is the way we do business in this House, and the way people in the European Parliament do business—giving proper scrutiny to draft legislation. I again implore people not simply to listen to some of the British press when they are screeching, but to look at the actual facts. There are checks and balances, and they are working.

I shall conclude my remarks on that issue by talking about Michel Barnier. I do not think it does the British interest any service if we dismiss someone who actually has quite a good track record, just because he is French; that really would be extremely narrow-minded. I think that we ought to be getting used to French politicians, particularly President Sarkozy, grandstanding, and we should look at the reality of what happens afterwards, which amounts to much less than the rhetoric that sometimes comes out of the Elysée palace. I am not saying that we should not be on our guard, but there are checks and balances in the system that prevent one person from railroading legislation that would undermine our interests.

Mr. Harper: Perhaps I could refer back to a point I raised earlier. To be fair, the hon. Gentleman has been very clear on the role of the nationality of the individuals involved, as was the Minister. However, the hon. Gentleman has now mentioned national leaders grandstanding. The Prime Minister said that Baroness Ashton's appointment as High Representative would give Britain a powerful voice within the Council and the Commission and ensure that Britain's voice was heard. Both the hon. Gentleman and the Minister have confirmed in this debate that the appointment will do no such thing, because Baroness Ashton represents not Britain, but the Commission and the Council; she speaks not for Britain, but for them. The hon. Gentleman and the Minister have been honest about that, but the Prime Minister has not.

Mr. Davey: I do not think I am here to defend statements by the Prime Minister, and I am certainly not going to do so. My slight retort to the hon. Gentleman is that although Commissioners, the High Representative and the president of the Council represent the European Union—that is their job as part of the community, and that esprit is supposed still to apply—and although they come from certain traditions and political cultures, those are helpful in the way they are likely to their jobs.

I should like briefly to touch on some external relations points, which both the Minister and the hon. Member for Rayleigh rightly mentioned, and on which I think that there is cross-party agreement—those concerning Bosnia, Iran and Cyprus. I strongly agree with the hon. Gentleman about Bosnia. The Liberal Democrats are increasingly concerned about what is happening in Bosnia, and although we understand the Government's approach, we are not quite convinced that it is strong enough. The constitutional attempts, through Butmir, are not bearing much fruit. I think that is partly because the office of the High Representative there is going to be dismantled. Politicians in Republika Srpska, particularly in Dodik, think that they are going to get away with championing new Serb nationalism, acting as a latter-day Milosevic. We have to send a very clear signal that the European Union will not allow that to happen. It is important that Members on both sides of the House get the EU to steel itself to objecting to that. We may need to look again at the idea of the abolition of the Office of the High Representative because of the lack of progress.

What the Minister said about Iran was interesting. It seems as if the British Government are now preparing to argue within the European Union that now is the time for sanctions. If that is the case, it is a serious new

development. I am not suggesting that it might be the wrong step, given the announcement by President Ahmadinejad that Iran wants to build 10 new nuclear processing facilities—that is alarming—but some of the experts, including even people connected to the International Atomic Energy Agency, have suggested that Iran has no ability to build those facilities and that the announcement was totally rhetorical. Therefore, in dealing with Iran, we have to know the difference between reality and rhetoric. That is extremely important.

I hope there is still some room and some track left for taking the diplomatic engagement route. As I said during the Queen's Speech debate, the negotiations on where uranium needs to be enriched and processed for the test reactor in Tehran could still bear fruit. If, despite everything, we can still bring Iran to the negotiating table, it would be a better route. I accept that we are running out of road, but it may well be that one last attempt before sanctions are tried is the right approach.

I do not have much to add to what the Minister and the hon. Member for Rayleigh said about Cyprus. All parties wish Presidents Christofias and Talat all the best, and I strongly hope that the British Government and the EU are doing all they can to enable, in the rather narrow window of opportunity that may be left to us, a historic agreement to be reached.

As for the British dimension of European affairs and how it affects policy, I am afraid the Government increasingly have a rather mixed record. I accept that they have done some fantastic things. Unlike the Conservatives, the Liberal Democrats were pleased when they got rid of the British opt-out from the social chapter, and they have been successful in changing their relationships with other European Governments, but I do not think they have managed to change the terms of trade of the debate in this country. I do not level this comment at the Minister, but some of his colleagues have been unwilling to engage in the real debate and put the pro-European case. In two of his most recent speeches, the Foreign Secretary has begun to do that, but he made some silly remarks about stopping the traffic in connection with the President of the European Council. The poor handling of the appointment of the High Representative, about which the hon. Member for Rayleigh spent some time talking, did not do us much credit either. The Government have not exactly covered themselves in glory.

The Conservatives have asked about our position on the referendum, and I can tell the hon. Member for Rayleigh that the headline on the BBC website is not accurate. If he looks at the comments made by my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), they do not bear out that headline. The spokesman, whom the hon. Gentleman quoted out of context, made it clear that our position remains the same. I hope that that reassures him.

I do not know whether the hon. Gentleman needs help defining "cast-iron". Certainly, the dictionaries that I have consulted suggest that it is a guarantee that can be trusted completely, and is rigid, strong and unyielding. It is not subject to change or exception. I am afraid that the "cast-iron guarantee" given by the Conservative leader has ignored those definitions.

Mr. Goodwill: Will the hon. Gentleman give way?

Mr. Davey: Perhaps the hon. Gentleman wants to try to help his leader.

Mr. Goodwill: Is the hon. Gentleman saying that a Liberal Democrat Government would hold an in-out referendum, and that if the vote were to be no, they would take us out of the European Union? In that case, how can he accuse us of being the most anti-European party?

Mr. Davey: We would of course argue for a yes vote, and we are certain that we would win that. One of the reasons why we have been attracted by this policy is that we actually want to expose the Conservatives, who try to have it both ways. They try to suggest that they are pro-European on some levels and that they want to be part of the European Union, but we all know that many Back Benchers and parliamentary candidates are extremely anti-European and want to pull us out. The Conservatives do not want to face up to that reality.

Keith Vaz *rose—*

Mr. Harper *rose—*

Mr. Davey: I give way to the right hon. Member for Leicester, East (Keith Vaz).

Keith Vaz: Why is the Conservative party afraid to have an all-singing, all-dancing referendum on whether we stay in the European Union or come out? If they want the public to be engaged in such a debate, that is surely the question that should be put before them.

Mr. Davey: Perhaps the hon. Member for Forest of Dean (Mr. Harper) will answer that question.

Mr. Harper: I was slightly amused by the hon. Gentleman talking about our being inconsistent and wanting to have things both ways. I remember that during the debates on the Lisbon treaty, we talked about the referendum and I asked him about the Liberal Democrats' 2005 manifesto pledge to support a referendum. He then invented, and explained to the House, the novel concept of constructive abstention, under which they voted one way in this House but could not persuade all their colleagues in the other place to do the same thing. They went back on their promise to have a referendum, which is why the Lisbon treaty has become law. Having a referendum now on the Lisbon treaty would be completely meaningless, because it cannot be unratified. That is the fault of this Government and the hon. Gentleman's party, not ours.

Mr. Davey: Well, there was no definition of "cast-iron" in that, nor did it answer the question asked by the right hon. Member for Leicester, East. The Conservatives know that they have a real problem here. They have reneged on their cast-iron guarantee and they know that their party is split down the middle—

Mr. Francois: Will the hon. Gentleman give way?

Mr. Davey: I may give way later, if the hon. Gentleman will be patient. He did not allow me to intervene on him, and I have already allowed him to intervene on me once. I will allow him to intervene a second time shortly—and that is more generous than he was to me.

The Conservatives' present policy has three elements. The first is to have referendums on future treaties, but they have not been clear as to which treaties. If the hon.

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Gentleman intervenes later, perhaps he will clarify that. Will that policy apply to accession treaties? If there are accession treaties for Croatia, Iceland or Turkey, will they require referendums? As far as we know they will, and it would be bizarre if the enlargement of the European Union and the accession of those countries were to be determined by a referendum. I hope that the hon. Gentleman will be able to answer that question when I allow him to intervene. We want know what the test for a referendum will be. Will it be any change in the European treaties, or just a significant constitutional change? What does the referendum pledge amount to? It is not clear at the moment.

The hon. Gentleman also talked about a sovereignty Bill. He needs to go back to his political textbooks and understand constitutional principles. A state either has parliamentary sovereignty as a constitutional principle or a written constitution. He talks about the German constitutional court as his model, but that court can operate in a meaningful way on European matters because Germany has a written constitution. The Bundestag and the Bundesrat do not have parliamentary sovereignty as we know it in this country. If the Conservative position is not only that they want a sovereignty Bill, but that they want a written constitution, that is a consistent policy, although it is also a major change in the Conservative approach to the constitution—and one that we would welcome. We have advocated the introduction of a written constitution for many years, so we could have a sovereignty Bill that had some meaning. The hon. Gentleman's Bill would be meaningless unless he also wanted a written constitution.

Chris Bryant: If a sovereignty Bill meant that the Government could strike down EU legislation, it would be profoundly dangerous because it would effectively mean that Britain was stepping out of the European Union.

Mr. Davey: The Minister makes a fair point. We would be subjugated to the rules of the European Union if the Conservatives were to try to push that policy in the direction that is suggested.

The third element of the new Conservative European policy is the repatriation of powers, and the Conservatives have talked about three such powers. The first relates to the charter of fundamental rights. As I understand it, the Lisbon treaty has a protocol on that and it was debated for many hours on the Floor of the House. After those debates, it was clear that the charter relates to EU institutions, not to the making of law in this House. It is therefore bizarre that the Conservatives want to repatriate the charter of fundamental rights to Britain, because it applies to the EU institutions. That is a weird policy.

The second power relates to employment, and we all know that the Conservatives wanted to opt out of the social chapter. The question is what chance they have of making that policy stick. The Minister eloquently explained how that would need several countries to have an intergovernmental conference and then unanimity to give Britain an opt-out. If the Conservatives are serious about pursuing that in government, they would not only undermine British interests, but be looking backwards, and they would be unable to influence future policy in the European Union. It would be highly damaging to British interests.

The third area in which the Conservatives wish to repatriate powers is in respect of the whole justice and home affairs agenda, including criminal law. We should take that seriously, because they might be able to do it. The Lisbon treaty subjects all aspects of justice and home affairs to an opt-in. Over the next five years, starting from 1 December this year, the clock will be ticking. After five years, everything in that sphere will become an EU-wide competence and the Government would have to decide whether they wanted to opt in or not. Any future Government would therefore have the power to exclude us from all justice and home affairs matters, but that is not just for five years. Over the next few years, as aspects of the European justice and home affairs legislation are amended—as it certainly will be before the five-year cut-off point—the Government will be able to decide on those specific aspects whether to opt in or not.

That might sound like a technical point, but let us think about what it means in practice. The European arrest warrant, about which we talked earlier, is likely to be amended in the next two years because there have been imperfections and it has not worked perfectly. I am sure that that will have to happen. The next Government will therefore have to take a decision when the amendments are proposed to opt in to, or out of, the EAW.

We have heard from Conservatives in the European Parliament and the House that they are fundamentally against the EAW. We have heard from the shadow Home Secretary that he is minded to be against it, and when the leader of the Conservative party was interviewed on the "Andrew Marr Show", he said that he was very much against it too. He told Andrew Marr:

"There are many things in the Lisbon treaty—giving more power over home affairs and justice—that we don't think is right."

Given that the Conservative policy is to repatriate powers on those areas—*[Interruption.]* The hon. Member for Rayleigh says that he did not say anything about the EAW, but it is slap bang in the middle of the justice and home affairs agenda. If he wants to tell the House what the Conservative position will be on the EAW and whether it will opt back in when given the chance, it would be very helpful. I am sure that Conservative Back Benchers and Conservatives in the European Parliament, who voted against the EAW and believe that it infringes our sovereignty, would be interested to hear about that position. I would welcome it too, because it would move the Conservative party towards a pro-European position and in a sensible direction for the conduct of justice and home affairs. However, I doubt that we will get an answer, because the hon. Gentleman and his party want to sit on the fence.

It is not just about the EAW; it is about Europol and Eurojust and all the other things that, as I said in an intervention, are bringing serious criminals to justice. We will be interested to hear whether the hon. Gentleman has an answer to that.

Mr. Francois *rose—*

Mr. Davey: I am happy to take the hon. Gentleman's intervention, but I hope that he has some answers to those questions.

Mr. Francois: The hon. Gentleman knows that we have a number of concerns about how the EAW has operated in practice, as does, indeed, the Liberal Democrats' Home Affairs spokesman, the hon. Member for Eastleigh (Chris Huhne), who gave a speech recently in which he expressed a number of concerns. Will the hon. Member for Kingston and Surbiton (Mr. Davey) explain why, if the Liberal Democrats are so in favour of the EAW, as seems to be evident from the line that he has taken this afternoon, they abstained in 2003 when the House voted on whether Britain should sign up?

Mr. Davey: The hon. Gentleman is talking about an Act of Parliament, part of which covered was the EAW. If he reads the proceedings of the House, he will see that my colleagues and I were very much in favour of the EAW, but we were against other parts of the legislation. We made that clear in the proceedings. We are very different from him and his party because he opposed the EAW. The Conservatives voted against it in the House and the European Parliament, and not because of one or two imperfections; they were against it in principle, just as the right hon. Member for Witney (Mr. Cameron) is in principle against justice and home affairs being taken at the European level. They have a lot of explaining to do. Between now and polling day, we will push them to make themselves clear to the British people: will they give British people the protection of the EAW, Europol and Eurojust?

Mr. Goodwill: The hon. Gentleman talks about serious crime, but is he not aware that in cases such as the one a couple years ago in which some British people were arrested in Greece for spotting aeroplanes, British citizens might be extradited to countries with legal systems in which we have less confidence than we have in our own? The crimes might not be serious; they could be more spurious and difficult-to-understand cases.

Mr. Davey: The hon. Gentleman is right. I could give him three or four examples from different countries, such as the Töben case in Germany and several others in Poland—I believe that the Poles will have a particular constitutional issue to sort out when we consider reforming the EAW.

The Liberal Democrats have argued, in this House and the European Parliament, and against the Conservatives, for measures linked to the EAW at the European level to ensure that British people in court in other EU countries—not just because of the EAW, but perhaps having been arrested while on holiday, working or living in those countries—have better protections and the minimum guarantees of legal rights that do not exist in the EU at the moment. We want to push that case.

The Conservatives, however, have always opposed that approach. I am afraid that their position is completely inconsistent: they complain about the EAW because it does not guarantee those minimum legal rights, but when those rights are proposed, they oppose them. They are in a tricky position. Any future Government will have to answer such questions, not the spurious, theoretical questions about some mythical idea that a future British Government could renegotiate social employment legislation.

Finally, what worries me particularly about the Conservatives' position on Europe is their view on defence policy. I regret the fact that we did not have enough time to debate defence in full in our debates on the Lisbon treaty. Indeed, Conservative colleagues and I complained about that at the time. However, the Conservative defence spokesman, the hon. Member for Woodspring (Dr. Fox), has attacked much of the co-operation on defence, particularly the European Defence Agency. My concern about his attacks is that they are factually incorrect. He talks about the European Defence Agency as having a

"supranational role for procurement inside the European Union."—[*Official Report*, 23 November 2009; Vol. 501, c. 367.]

He clearly does not understand how the European Defence Agency works. Its whole remit and the framework within which it works are based on unanimity. Even the workings of the board of the European Defence Agency mean that day-to-day matters are decided on the basis of qualified majority voting. However, if a member state objects to them, they can be referred back, so that they are decided on a unanimous vote. That ought to be in the British interest. The idea that the European Defence Agency is a supranational body to which we have surrendered control is simply wrong.

What worries me in practice is that the Conservatives oppose some of the excellent work currently done, albeit on a small scale, by the European Defence Agency. For example, work is being done on something called the helicopter initiative. The Conservatives have rightly criticised the Government's record on helicopters in Afghanistan and other theatres. One of the advantages of the European Defence Agency's helicopter initiative is that it will ensure that some citizens of other member states are properly trained so that they can fly helicopters in theatres such as Afghanistan. The Conservatives' opposition to the European Defence Agency would stop that initiative taking place and thereby prevent us from securing a much needed supply of trained helicopter pilots into Afghanistan from other member states when, interestingly, at other times the Conservatives complain about other member states not pulling their weight. The European Defence Agency and our co-operation on defence are ways to ensure that other member states begin to play a proper role. I am afraid that the Conservative position is completely unfathomable.

Britain gets short-changed in Europe when it fights straw men such as the European Defence Agency, co-operation on crime and so on, which is not in the interests of the British people. I hope that between now and the election the Conservatives will think again, change their position on some of those key issues, and face up to the Eurosceptics in their party and the press. If they do not and if they then take power, as either a majority or a minority Government, with the same approach, that will be hugely damaging to British interests, whether in co-operation on crime, co-operation on the environment or co-operation on the economy. That is a matter of huge significance to this country's future. Let us hope that the Conservatives think again.

2.38 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Kingston and Surbiton (Mr. Davey) in a debate on European policy. I agree with almost everything that he said about the issues that confront the European Union.

It is important that we move on from the great debate about who got which job. Of course there was a lot of lobbying off camera, by political parties, Members of

[Keith Vaz]

this House and others, but the issue has now been settled. It is important that we move on and give our new High Representative—our former British Commissioner and new vice-president of the Commission, Cathy Ashton—our full support. I believe that she will do a terrific job. It is important that we should have women in positions of genuine responsibility as public faces of the European Union. I wish her well, and I hope that the whole House does too. Indeed, I take the comments made by the Opposition spokesman, the hon. Member for Rayleigh (Mr. Francois), as being positive. He wants to work with her and ensure that she will be a success.

Mike Gapes (Ilford, South) (Lab/Co-op): Will my right hon. Friend also confirm that Baroness Ashton is not there because she is a woman? She is there because she is an extremely competent Commissioner and politician and because she will do an excellent job on that basis.

Keith Vaz: I am happy to confirm that, although I think that all the Commissioners whom we have sent to the European Union, Conservative and Labour, have been excellent. We have done very well in the choice of people whom we have sent.

I also want to pay tribute to the Minister for Europe for the work that he has done. Reference has been made to the large number of Ministers for Europe that we have had—I was one of them—but I cannot think of anyone better prepared for the job than him. He has a passion for Europe, he has an intelligence and an understanding, and I think that he will do an absolutely terrific job. I also hope that he stays in the job for as long as I did, which was about two years.

I am also pleased that my next-door neighbour in Leicester, my hon. Friend the Member for Leicester, South (Sir Peter Soulsby), has been promoted to become the Minister for Europe's Parliamentary Private Secretary. He has had a very distinguished career in Leicester. In fact, he probably knows more about Europe—I have to say this—than the Minister or me. Before either of us entered the House, my hon. Friend the Member for Leicester, South was a member of the Committee of the Regions. The Minister has thus chosen an able person to assist him as part of his team. I am sure that they will do very well in Europe.

I am with the hon. Member for Kingston and Surbiton on the issue of the referendum. I think it is important for us to be in a position in which the British people can once and for all deal with the myths put about by the Eurosceptics. I am quite certain that if a referendum comes—it is not, of course, Labour party policy—we will find that the leader of the Conservative party and the shadow Minister for Europe will be on the side of the angels and will support the hon. Member for Kingston and Surbiton and others in saying that Britain should remain in the European Union. That is why it is important to put it on the line and give people the opportunity to have those discussions.

The European Council meeting next week will be an important one and it is obviously going to consider the extremely important issue of climate change. I am not going to dwell, in the few minutes I have available, on that issue because I know other Members will cover it. I want to talk about one or two other issues that I hope will be raised, and I hope that the Minister will respond to explain current Government thinking when he concludes the debate.

When the Minister gave his opening speech, I raised with him the issue of the Lisbon agenda. The Lisbon agenda is a very important agreement among European colleagues. It is not, of course, the same as the Lisbon treaty, which is also important, and this predates that treaty. There must be something about Lisbon to make it the place where all the important decisions about Europe are taken. The importance of the Lisbon agenda is that it set down for the first time a set of economic benchmarks that it was hoped European countries would try to achieve.

As those involved in European affairs will know, there are often meetings, summits and other things of that kind and there is often general good will about all the initiatives that are going to be followed, but the importance of the Lisbon agenda is that it set those benchmarks down—on employment, on growth and on how the economies of various EU countries should work together. I hope that we will not lose the opportunity to ascertain whether all the 27 countries have met those benchmarks set 10 years ago. If not, we must ensure that there is a corrective mechanism to enable them to meet them. I know that the current global economic crisis will have had an effect on the benchmarks that were set 10 years ago, because the crisis was not envisaged, but I still think it important for British Ministers to hold themselves, the Government and colleagues to account as to whether those benchmarks have been met.

I am glad that the Government remain committed to the accession of Turkey in the future—in the near future—and I am also pleased that the Opposition are fully supportive of it. I do not think that the hon. Member for Kingston and Surbiton mentioned Turkish accession—*[Interruption.]* Perhaps he did while I was out of the Chamber. I believe that—apart, obviously, from the hon. Member for Stone (Mr. Cash)—there is all-party unity among Members in the House at the moment in favour of Turkey joining the European Union. It is important that we do not merely say these things. We should use our weight to ensure that that happens, precisely as we did when we ensured that Poland and other east European countries entered when they did. Had it not been for the work of Tony Blair, the then Prime Minister and Robin Cook, the then Foreign Secretary, I do not believe that we would have seen the enlargement of the EU by that number of countries at that particular time. We should put our weight behind getting Turkey in as soon as possible. That also applies to Croatia.

It is important not to leave countries to fend for themselves when they enter the EU. Romania and Bulgaria have been mentioned. I think that Romania's accession has been a success, as has that of the other eastern European countries. I do not think we should condemn Bulgaria; I think that we should work with it to ensure that it overcomes its difficulties. Part of the problem is that when new countries enter the European Union, they are delighted and there is national euphoria, and then Brussels moves to the next set of priorities. Support is extremely important if we are to ensure that the EU succeeds and member states feel that they are welcome. We want member states to be part of a first-class Europe with no second-class countries, moving together in what I hope will be a united way.

Kelvin Hopkins: My right hon. Friend talks of all the countries moving together. Is not the problem in the European Union that its member states are so diverse, economically and politically? If we want the kind of European Union that he is describing, perhaps we should adopt the Edward Heath model: a smaller group of western European nations with similar economies and cultures.

Keith Vaz: My hon. Friend is a frequent visitor to debates on these issues. I think he has participated in almost all the European affairs debates over the past 10 years or so; he has certainly participated in the more recent ones.

I do not favour a federal Europe, and nor do the Government. We must have a Europe of nation states. Where there is a method of co-operating beyond the strict rules, we should adopt it. One example is the justice and home affairs agenda. We can opt in or opt out when we wish to do so, and we can ensure that we work with European partners to deal with immigration issues.

I have mentioned my visit to the "jungle camp" in Calais with members of the Select Committee on Home Affairs. We went to the camp a week before the French moved in and broke it up; I do not know whether that had anything to do with the Committee's visit. We met a large number of young men between the ages of 15 and 40 who had travelled to Calais all the way from Afghanistan and Iraq. They had passed through Austria and Romania, some had been to Spain and some had gone through Germany, but they had all ended up at the tip of the continent, and all that they wanted to do was come to London and live in the United Kingdom. No matter what they were offered, that was what they wanted to do. They formed themselves into a "jungle camp" and refused all the offers from the French to allow them to seek asylum, because they wanted to cross the channel and come to the United Kingdom.

I kept saying to those young men, "But you have come all the way from Afghanistan and Iraq. Surely there is some other European country where you might like to stop in order to claim asylum." If there is an area in which we need better co-operation, it is the justice and home affairs agenda, and immigration in particular. Our European partners are simply not abiding by their responsibilities and obligations. When people pass through their countries, they should deal with the problem.

Mr. Bone: As usual, the right hon. Gentleman is making a powerful speech. I should like to know why he thinks those people travelled across Europe and wanted so desperately to get into the United Kingdom.

Keith Vaz: I could be flippant and say that they knew about the success of our country after 12 years of a Labour Government and wanted to join in that success, but I think that they see the United Kingdom as El Dorado. It is the place where they believe they can be safest. There would be a common language, as many of them spoke English, and none of them spoke French, German or Austrian German.

The point is that our colleagues need to ensure that they fulfil their responsibilities. When people enter a European Union country, whether it is Romania, Austria or Germany, that is where the problem should be dealt with. If there is one thing that we ought to be doing, it is sitting around a table at the Justice and Home Affairs Council when the Home Secretary is next there and ensuring that that happens. I know that the Minister for Borders and Immigration and his French counterpart have decided on a common strategy. The trouble, however, is that the French offered some of these people a return to Afghanistan, a charter plane was booked, but before they could board it, the French cancelled it. There has to be a common approach to immigration policy.

Better use needs to be made of Europol. It is headed by a Brit: Robert Wainwright, formerly a senior official in the Serious Organised Crime Agency. We do not do enough to support Europol. I know that there are problems with the European arrest warrant, but this is another EU institution through which we can work with our European colleagues and partners and we must make sure that it is strengthened and robust. Our country simply cannot deal with the threats we face from organised crime and international terrorism without the support of colleagues. Again, those engaged in these activities have to pass through many other countries in order to get to the United Kingdom. The support of colleagues and partners is vital, and it is also vital to the security of our country that we support institutions such as Europol.

The hon. Member for Totnes (Mr. Steen) is not in the Chamber at present, but no Member has done more to combat human trafficking; he has been an assiduous campaigner on the issue. The Home Affairs Committee completed its report into human trafficking earlier this year, and we again found that although this is a cross-border issue on which we ought to have the support of European partners, we did not get that support. We would like there to be a Europe-wide organisation to deal with human trafficking.

I am not suggesting for one moment that we should spend any more taxpayers' money in creating yet another European institution, because I am the first to admit that not all of them work satisfactorily despite the huge budgets they receive. However, there must be networks that we can create that will permit us to work with partners to stop the scourge of human trafficking, which is currently the second biggest illegal activity, after the drugs trade. I hope that at the next Council meeting we will support the Swedish presidency to ensure that it continues to make tackling human trafficking a priority. One of the good features of the EU over the past few years is that themes have not only been taken up by individual presidencies, but they have been carried over to cover a number of presidencies. This started in Prague and went on to Stockholm, and I hope it will be continued in Madrid, so that there is longer than just six months to consider the themes that are fashioned and outlined by the countries that hold each presidency.

I know that Sri Lanka is not a huge issue for next week's European Council, but I also know that the EU is about to consider whether to extend GSP-plus—the generalised system of preferences—for Sri Lanka. There have been positive developments in Sri Lanka, in that a number of people have been let out of the camps that the Government have created. I and colleagues in the all-party group on Sri Lanka—including the hon. Member for Kingston and Surbiton, who has been at the forefront of UK support for the Tamil community—have met the Foreign Minister. We made it very clear to him that it is

[Keith Vaz]

not enough for the Sri Lankan Government just to let people out for a short period—they must return to the camps after 15 days—but that they must demonstrate that they are committed to understanding and engaging with their own people about their true wishes. That means that they will have to sit down and talk to the leaders of the Tamil community in Sri Lanka. I urge the Government not to permit an extension of GSP-plus yet—that is our official position, and it was the position of Cathy Ashton when she was Trade Commissioner—because if we send a signal now that we are happy with what is going on, it will be read in the wrong way. We should continue this engagement with the Sri Lankan Government—we should continue a dialogue with them and welcome what they have done—but we should also make sure that they complete the process. A few days of respite for the Tamil people is not enough; the Sri Lankan Government must do more.

I wish the Minister for Europe well in his first European summit since taking on the post. I know that he will have a terrific time there, because this is the subject about which he knows the most. I hope very much that he will continue to do what he and all other Ministers have done, which is to put the interests of Britain first while dealing with colleagues and partners to make sure that we do the best for Europe and the best for Britain.

2.55 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): It is always a pleasure to follow the right hon. Member for Leicester, East (Keith Vaz), who served for a time—perhaps it was too short a time—with distinction as Minister for Europe and is now serving with distinction as Chair of the Select Committee on Home Affairs. His kind comments about my hon. Friend the Member for Totnes (Mr. Steen) are welcome and on the record. The right hon. Gentleman's speaking about human trafficking in the way he did underlined yet again that when Europe and its nations need to come together to address a key problem, they fail. Human trafficking is just another example of where we need to be more pragmatic in our approach, in sharing the issues and in dealing with them in a unified way.

I share the disappointment of my Front-Bench team that the European Court of Auditors has refused to sign off the EU's budget for the 15th time in a row, owing to fraud and mismanagement in the budget. It is very unfortunate that the EU, with the enormous powers that it yields and a gargantuan budget to match, continually faces such serious allegations from its own auditors. I wish to take this opportunity to highlight some of the nonsense that has been recorded regarding projects funded by the EU in recent years.

My first example took place under the umbrella of the common agricultural policy, when €173,000 was given to the luxury golf resort called the Monte de Quinta Club in the Algarve in Portugal. According to the resort's website, guests can choose

"the comfort of a villa with garden and private pool, or be dazzled by deluxe suites."

It would be interesting to know whether that appropriation has been challenged and the money reclaimed. My second example is that of a Swedish farmer who received a subsidy, albeit small, of €200 through the EU's single farm payment scheme for land on which he grew cannabis; we are told that he had filled in all the required forms correctly. Last, but certainly not least, is the example of the €4 million subsidy given in 2002 to seven Italian orange farmers who failed to grow a single orange between them.

It is not just the EU's agricultural policy that is not fit for purpose; another key area of waste is the EU's structural and cohesion funds—its second largest spending area, representing almost a third of the budget. The European Court of Auditors concluded in its report on the 2008 budget that the structural and cohesion funds remain problematic and are

"the area most affected by errors".

Worryingly, the Court estimated that at least 11 per cent. of the total amount paid out in grants from those funds should not have been paid out in the first place.

The structural and cohesion funds are intended to narrow the economic disparities among member states, and key recipients included Ireland, Spain, Portugal and Greece after they joined the EU in the 1970s and 1980s. Following the eastern enlargement in 2004 and 2007, most of the recipients of the funds are now central and eastern European states. Despite the €45 billion poured into the funds from member states every year, the OECD has not found any conclusive evidence that the funds have had a positive impact on the economies of the states receiving them. In fact, an OECD report from September 2007 stated that

"regional disparities are not falling, or at best declining very slowly".

It calculated that at the current rate of convergence it would take 170 years just to halve the economic disparities between different regions in the EU. A major reason for the extraordinary levels of waste and mismanagement is the sheer size and complexity of the budget. As the EU's auditors pointed out in their recent report, in many situations the errors are a consequence of too complex rules and regulations.

There are several ways in which the budget can be improved. At the moment, EU rules state that allocated funds must be paid out within two years or the money will be cancelled. That, of course, encourages member states to spend the money as quickly as possible without due scrutiny or responsibility. Bringing the structural and cohesion funds under national control would, in our opinion, simplify the EU budget and inject national accountability, greater transparency and more involvement by national Parliaments. It would, we believe, reduce waste and mismanagement and establish a better link between performance and receipt of subsidies.

Kelvin Hopkins: I have suggested on many occasions that the European budget ought to be distributed according to need, with the rich countries paying proportionately and the poorer countries drawing proportionately, according to their standards of living. Paying directly to Governments would be necessary as part of that. It seems to me that we have agreement on these matters.

Mr. Moss: I am most grateful for confirmation from the hon. Gentleman that we are moving in the right direction.

One of Tony Blair's conditions for giving up parts of Britain's rebate was that the Commission should conduct a wide-ranging review of EU spending. I am disappointed that the deadline for the review at the end of 2009 is unlikely to be met. However, a leaked draft paper on the budget review suggests that the Commission, once it has got its act together, will put forward several worthy proposals for reform. They will include some proposals that would not serve Britain's best interest, but I welcome the proposals significantly to reduce the amount of money spent on agriculture and to reform the structural and cohesion funds.

As far back as 2003, the then Prime Minister wrote in *The Times* that the structural and cohesion funds should be returned to the control of the member states. Will the Government push for that in the EU's next budget negotiations; or is the Prime Minister—and is the Minister—prepared to give up this pledge just as his predecessor gave up part of our rebate in return for nothing?

The UK is now the second biggest net contributor to the EU budget according to Treasury figures. We pay almost £10 billion a year into the EU's budget for 2007 to 2013 and get back about £5.2 billion. Crucially, the UK's net contribution will rise from £4.1 billion in 2009-10 to £6.4 billion in 2011-12. That is after the European Parliament voted in October to increase Britain's payments by £5 million a day, against the advice of the European Commission and the European Council.

Moreover, the UK is also the EU member that receives the least back from the budget per head. According to figures from Open Europe, we receive only €770 per head in EU funding, which is lower than any other member state. It is half as much as France, which receives €1,480, and a quarter as much as Ireland, which receives €3,090. Perversely, the richest country in the EU—Luxembourg—gets more than €22,000 per capita because it benefits from hosting several EU agencies.

Mr. Evans: To be added to that is the famous rebate that Margaret Thatcher wrestled from the European Union, which Tony Blair famously gave away so that he could get the top job, which he never has.

Mr. Moss: I am sure that my hon. Friend's logic is absolutely correct in that regard.

It would of course be interesting to know what efforts the Government propose to make in future to ensure that the UK gets a fair deal in the EU. Whichever way one looks at the budget situation, this country seems to be considered by its EU partners as some sort of milch cow. How is it that, after 12 years of being told repeatedly by this Labour Government that they and they alone of the UK political parties knew how to play the game in Europe—at the centre of Europe—we now have a deteriorating contribution situation with absolutely nothing to show for it?

Kelvin Hopkins: The term "milch cow" is appropriate, because the distorting factor in all this is the common agricultural policy, and we do not have enough milch cows to claim enough. I have called for the abolition of the CAP and the repatriation of agricultural policy to member states, but does the hon. Gentleman agree that something fundamental has to be done to the CAP?

Mr. Moss: I absolutely agree. However, on a recent Foreign Affairs Committee visit to Paris, Committee members met a junior from the French agricultural ministry and were left in no doubt that the French would give up the CAP most unwillingly. To them, it is not just about the money going into agriculture and directly to their farmers; it is about a whole policy of maintaining populations in the countryside. We will have great problems addressing this issue, given the intransigence of politicians in France.

On the recent appointment of Baroness Ashton as the EU's High Representative on foreign affairs, although I, like many of my colleagues, did not agree with the creation of that post in the first instance, or with that of EU President, I should like to take this opportunity to congratulate the Baroness on her promotion. I also reiterate the shadow Europe Minister's assertion that a future Conservative Government will look forward to working with her.

During the shenanigans surrounding the Lisbon treaty appointments, while the Prime Minister was busy lobbying for Tony Blair to become the new President and while the Foreign and Business Secretaries were busy positioning themselves for the plum job of EU Foreign Minister, who was busy protecting Britain's interests? After the Prime Minister was outsmarted in Europe and was led to accept Baroness Ashton for the Foreign Minister job, the most important post of all was snatched from right under his nose. The Prime Minister, who takes every opportunity to portray himself as the City's knight in shining armour and as an economic messiah ready to lead the country out of recession, has completely sold out Britain for the sake of parachuting his fourth-choice candidate into a non-job.

France secured one of the top economic posts in the new Commission after a former French Minister, Michel Barnier, was named as the new Internal Market Commissioner with responsibility for financial services. The other key economic posts will go to Spain and Finland. It is reasonable to expect that Mr. Barnier, a protectionist who has been openly hostile to the Anglo-Saxon model of capitalism, will seek sweeping regulatory reforms of financial services, most of which are located in our square mile in London. Many have voiced their criticism of Mr. Barnier's appointment, including the major French—I say left-leaning—newspaper *Le Monde*. In July, it compared giving the internal market post to Barnier with entrusting the surveillance of a chicken coop to a fox.

Nicolas Sarkozy, the French President, has gleefully declared that the English "are the big losers" after the carve-up of EU posts. In a speech a couple of days ago, he asked:

> "Do you know what it means for me to see for the first time in 50 years a French European Commissioner in charge of the internal market, including financial services, including the City?"

We do not need to have it spelt out any clearer than that. He went on boldly to declare:

> "I want the world to see the victory of the European model, which has nothing to do with the excesses of financial capitalism."

The Prime Minister has let himself be completely out-manoeuvred by President Sarkozy and Chancellor Merkel, who, it has become clear, had agreed in private, prior to the meetings in Brussels, to take control of financial services. Barnier's deputy will be the Briton, Jonathan Faull, as has been mentioned by the Liberal

[Mr. Moss]

Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey). However, it is doubtful whether Faull's appointment will secure Britain's interests, as he has worked for the Commission bureaucracy for more than 30 years and has no experience whatever of the City.

It would be interesting to know whether the Government are still adamant that that carve-up was a "major achievement for Britain", as the Foreign Secretary tried to convince the House on 23 November. It would also be interesting to know what steps the Government will take to ensure that Britain's interests are not bypassed in the EU—apart, of course, from the Chancellor's letter to *The Times* pleading for mercy, and his failed visit to Brussels yesterday. After Brown's failure in Brussels last month, the Chancellor was fobbed off by Europe's Finance Ministers in Brussels yesterday, which forced the Government to accept more concessions.

Not only will the City be at the mercy of a protectionist Frenchman, but Britain will be able to appeal decisions by the European supervisory authorities only if we secure the support of a majority of members. It seems that every time the Government feebly try to fix things, the more damage they do. As Sarkozy accurately points out, the loser is Britain.

As we all know, the Commission is extremely active in the area of financial regulation and supervision. Current plans include the new directive on alternative investment fund managers, which seeks to create a new pan-EU regulator for financial markets. This is set to be just the first of many blows to the City of London after Barnier's appointment as chief enforcer.

After the European and local elections in June, it was crystal clear that our constituents wanted less intrusion and meddling from Europe. What we will get from having a protectionist Frenchman in the top economic job is yet more regulations that will seriously hamper Britain's road to economic recovery.

3.11 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I rise to participate in this debate with a certain amount of regret, as it will almost certainly be the last meeting of this Euro Sealed Knot society. We fight over the old battles at regular intervals, but we change uniforms from time to time: the Conservative party used to be so enthusiastic about Europe that it turned Baroness Thatcher out, whereas the Labour party was so unenthusiastic that it stood on a platform of withdrawal in 1983.

Our leader in that election, Michael Foot, did not seem to understand that platform, but I certainly did, and I took it to mean what it said. Our situation was transformed when Neil Kinnock, now Lord Kinnock, stood on the cliffs of Dover, held out his rod, parted the waters of the channel and led the chosen people—that is to say, the Labour party's Front Benchers—over to the other side. I stayed on the cliffs, rather like the character in "The Bridge on the River Kwai" watching the actions of Alec Guinness and saying, "Madness, madness!" I have remained on those cliffs ever since.

People who wanted a career in the Labour party would have been well advised to transfer to the other side, which is what most of them did. On our side of the House, Euro-enthusiasm has become almost a matter of religion. Certainly, it has replaced socialism in the biography of the Labour party, so it is a matter for regret that today's skirmish will be the last one before the election.

Mr. Harper: Will the hon. Gentleman give way?

Mr. Mitchell: It was only a joke!

Mr. Harper: I know that it was only a joke, but there is a serious side to what the hon. Gentleman has said about Labour politicians. Perhaps one reason why they are so attracted to Europe is that they can do very nicely out of it. I notice that Baroness Ashton, from her appointment as EU High Representative, will have an annual salary of £270,000, which is significantly more than the Prime Minister of our country gets. The total allowances and perks that she will receive while in the Commission will net her an estimated £4 million—very nice if you can get it!

Mr. Mitchell: I thank the hon. Gentleman for that interjection, because clearly Baroness Ashton deserves the money. She is only following the example of the former leader of the Liberal Democrat party in building up a huge pension plan, which sustained the party for a long period.

I was talking about today's skirmish, in which our side is being led not by the Foreign Secretary but by our hon. Friend the Minister for Europe. He is acting not as the King but as the Rupert in this particular battle, and I must say that he is doing it very well. He is making a brilliant fist of his job, but I wish that his ability and eloquence were applied to a better cause than the Euro-enthusiasm that he has always manifested. He is right in the tradition of first-class Foreign Office minds, in that he now devotes all his effort and attention to developing second-class arguments for the third-class—indeed, third-rate—institution called the European Union. Every defeat must be interpreted as a victory and every loss as a gain, and we must always say that Britain leads, however humiliated Britain is.

The Foreign Office and its Ministers seem to live in a different European Union from the rest of the country. The US Department of Defence has a situation room; the Foreign Office has a fantasy room, where matters European are discussed. There is a naive view of Europe as the Foreign Office would like it to be, not as it actually is: a Europe that is kind to small countries and helpful to poor ones, even while it excludes their agriculture from our markets; a Europe that is of great benefit to the UK, even while it makes enormous demands on us, with a growing deficit and contribution burden; a Europe that defers to British wisdom, even while a new leadership of the European Union emerges as Angela Merkel endeavours, successfully, to interpose herself into the world's greatest love affair of Sarkozy with Sarkozy—it is now in fact a threesome. That is what dominates Europe; we do not, and it is no use pretending that we do.

Another example of such Euro-think is my hon. Friend's interpretation of the latest appointments as a triumph; I think that that is what he said. Personally, I think that it is a shame that Tony Blair did not emerge as the President of Europe. He would have done well in

that position. He can convince anyone of anything. He might have been able to convince people of the benefits of Europe, given his eloquence. Europe certainly needs someone of his vigour, energy and traffic-stopping ability.

The appointments show what Europe really wants, and it is not the flair of that kind of leader. Europe wants to be a bigger Belgium. That is the European aspiration: to be a bigger Belgium, dominated of course by France and Germany, which is inward-looking, has low growth and high unemployment—it is the black spot of the advanced world—and maintains agricultural protection to keep out the agricultural production of smaller countries. It is true that we have the foreign policy post—

Mr. Harper: Will the hon. Gentleman give way?

Mr. Mitchell: No, I am not listening to another account of the incomes of European Commissioners.

We have the foreign policy post, which escalates in title even as it diminishes in power. It is now High Representative—or perhaps it is Lord High Representative now. It is a job as important as herding cats—a collection of cats that do not particularly want to go in any direction that we might, whether that be into Iraq or into Afghanistan.

In this situation, we have the rather useless foreign policy portfolio of the High Representative, but the French have grabbed the key economic portfolio of the internal market, which the City sees as a terrifying threat. The Chancellor tells us that the City's interests will be safeguarded and that it will not be ruled from Europe, but I am afraid that when we signed the Lisbon treaty that is what we signed up for, and I am sure that that is what will happen.

We can observe all this with great fondness. It is an entertaining spectacle. What is more, it is free to air, like ITV. But we must pay for it in the long run, and that is what I want to talk about today. The costs of Europe to this country are heavy, as the hon. Member for North-East Cambridgeshire (Mr. Moss) said. At a time when we are moving into a climate of cuts, economies and straitened resources, we are paying a heavy price to stay in Europe and contribute to it. For instance, we are paying the increased in connection with the rebate, which I thought was agreed to by Tony Blair while he was Prime Minister as the first down payment on the job of President in the future. Unfortunately, the down payment was taken but the item was not forthcoming in the sales. Thanks to that, our net contribution rose to £6 billion. It rises again with devaluation, which reduces the value of the pound, to about £8 billion.

That is only the budget contribution; we also contribute to other projects, such as Galileo and others. With Galileo, a satellite guidance system is being designed, and we are being charged for it, even though the Americans provide such a system for free. That will cost £2 billion to £3 billion. Then we have the common agricultural policy. The OECD estimates the cost of that—the resource cost, anyway—to be £15 billion. The cost to us of the common fisheries policy, which has not been mentioned but certainly needs to be abolished, is about £3 billion. That is the cost to us in fish from British waters that are landed not in Britain but at other European ports, where they are processed.

That all represents a huge cost across the exchanges, and we have to finance it with a declining pound. Our balance of trade deficit last year was £48 billion, and the cost of Europe adds up to between £20 billion and £25 billion. In other words, about half our balance of trade deficit goes on financing membership of the European Union. That is not the only cost, because there are other, more internal costs. We have the cost of regulation, which the CBI estimates to be between £20 million and £40 million, and the cost of low growth, because European economies, including ours, have grown about 1.2 per cent. less than other advanced countries outside Europe. The cumulative loss of growth amounts to 0.5 per cent. of GDP a year, which is about another £7 billion, so the total cost of Europe is more than £50 billion—to an economy that will be crippled and straitened by the need for economies and cuts in the years ahead.

What are the British people going to say when they are told that we have to cut the health service, education, and other services or benefits, in order to maintain this large contribution to Europe? Will they be dancing in the streets, as our Government might like, or will they become angry, upset and alienated? It is a tremendous burden to bear for membership of a club that is actually damaging our economy—an economy in which we are running a massive and growing trade deficit.

My hon. Friend the Minister said in his speech that in dealing with the recession, a unity of purpose had emerged. Well, it has not. What has emerged is the propensity of individual countries to do much the same thing, because the obvious thing to do in a deflationary situation is to expand one's spending—to introduce stimulus spending along Keynesian lines. I know that the Conservatives do not want to do that, but it is the obvious and sensible thing to do. The only commonality is that all countries have done so as a matter of individual volition, but Europe has damaged that process, because the euro makes it impossible for countries with a deficit, countries in difficulties or countries that have been hit by recession to devalue their currency as we have devalued ours.

The pound is down by about 25 per cent., and that is good. It is an enormous economic stimulus; we will benefit from it, and manufacturing will grow and improve. Other European countries cannot devalue their currency, however: Ireland cannot do so, and that is why it has plunged deep into recession; Spain cannot do so; Italy cannot do so; and the Greek situation, whereby public sector borrowing is drying up because people want a premium on the interest rate paid, will spread like a contagion to the other euro countries. In that situation the euro becomes a tremendous burden to bear, and thank heavens we do not have to bear that burden. It was very far-sighted of our Prime Minister and the Labour party to keep us out of the euro.

Mr. Bone: Didn't he want us to go in?

Mr. Mitchell: I do not mean the previous Prime Minister, who wanted us to go in, but our current Prime Minister, who kept us out—thank heavens. We benefit from that situation, but it will cripple those other countries, not to mention Hungary and the Baltic states, which have been hit in the same way.

I shall conclude on an important point. We have a growing trade deficit, and the City's contribution, which has helped keep us afloat, is going to be hit. Furthermore,

[Mr. Austin Mitchell]

the contribution of oil, which has also helped keep us afloat, will decline steadily in the next few years. If we are going to pay our way in the world and provide jobs for our people, the only recourse will be to re-expand, reboost and rebuild manufacturing. As is reported in this morning's *Financial Times*, manufacturing has shrunk; when we were elected in 1997 it made up 20 per cent. of GDP, but it is at 12 per cent. today. Indeed, it is estimated that it makes up only 11 per cent. of GDP currently, because manufacturing is in a difficult situation as a result of the recession.

Manufacturing has to remain good if we are to pay our way in the world; we cannot go on borrowing from the world to finance a deficit so that we can go on importing. Revivals have been produced in the past—in 1949 and 1967, and in the Tory devaluations of the early '70s and 1992. We now have the opportunity to give the same boost, as long as we keep the pound competitive and keep money cheap, so that we can rebuild manufacturing.

That, however, is a necessary but not a sufficient requirement. To rebuild manufacturing we must also have an industrial policy, channel investment to industry and maintain job clusters and business clusters for development purposes. We have to spend on training and boost industry to facilitate progress. All that is difficult to justify in a European context in which what we can do to invest in domestic industry is strictly controlled. It will all mean competition with Europe, because our main trade deficit is with Europe. We will have to end that deficit and replace it with a surplus, and that will be painful for Europe.

Mr. Drew: Can my hon. Friend remember colleagues of ours who said that ownership did not matter? The reality has been that ownership has migrated to everywhere else in Europe, apart from the UK. The biggest single problem as we try to rebuild manufacturing in this country is that the decisions will be taken not here but in Paris, Bonn, Milan and so on. That weakness is surely part of what my hon. Friend is saying.

Mr. Mitchell: I agree absolutely: that is what has happened, and it makes things more difficult to rebuild. However, we still have to do that. The main cause of that drifting away of jobs has been the overvaluation of sterling until now, as well as our having allowed British industry to be taken over lock, stock and barrel. Even Cadbury, a lynchpin of British industry, is now threatened.

We have to rebuild British industry, but it will be difficult to do that in a European context, given the restraints that Europe places on investment in our industry, our firms and our production, and the fact that those will be highly competitive with their European counterparts. It is time to say to the Foreign Office and the rest of the Government that we have to give up the infatuation with Europe—the romantic-eyed, naive view of Europe—and start carrying out a hard, cold calculation of the costs, which are damaging to our country. It is time to stop the romance and religion, and get on with the business of that cold hard calculation.

3.29 pm

Mr. Nigel Evans (Ribble Valley) (Con): It is a joy to follow the hon. Member for Great Grimsby (Mr. Mitchell), who speaks much common sense on European issues, as he does on many other matters. I hope that I will not take up the 15 minutes allotted to me today, but I believe this to be a vital issue. I am not sure whether this will be the last debate on Europe before the next general election. I saw the Minister looking somewhat sceptical—and it is always nice to see people looking sceptical in debates on Europe. He seemed sceptical about whether it was our last such debate, and he may be right. Many people have said that they hope that the Minister will stay a long time in the job. I think that the electorate may well be the deciders in that regard; it will certainly not be the Prime Minister. He has to call a general election before June, whatever happens, and whether it is in May or in March, I believe that the Minister is looking at a more restricted duration in the job that he is doing.

Many hon. Members mentioned the Lisbon treaty. What is the current position in that regard? We have an EU President, who is, as you know, Mr. Deputy Speaker, a household name, and who controls 3,500 civil servants in the Council Secretariat, creating a new power base, and will now lead on negotiations as if he were a Head of State. We have an EU Foreign Minister—another household name and face—who will have her own diplomatic service, which will, I am sure, grow year on year as the EU has missions all over the world. I should imagine that the lure will be to save a lot of money and roll it all into one EU mission, and then the question will be, "Why do we need all these independent, separate British embassies and high commissions all over the world when we can have just the one with the EU blue flag flying over it?" We then have the single legal personality for the EU, which will enable it to join international organisations in its own right; a self-amending treaty enabling the EU to grant itself more powers without the need for a new treaty; the abolition of national vetoes in 60 new areas, including energy, transport and employment law; and, of course, the new EU diplomatic service.

A lot of hon. Members stand up in this place and say, "We are against a federal united states of Europe." However, we now have a President, a Foreign Minister, an anthem, a flag and a diplomatic mission—how much more do we need before we can say that we have a united states of Europe? That is the very thing that we did not wish to happen, and the very thing that the people of Britain have not been consulted on since 1975. I am sick and tired of people saying to me, "The last time I voted on this in 1975 I voted to join the Common Market." Of course, that is exactly what they voted for—the Common Market. They did not vote to join a united states of Europe with its own President, Foreign Minister and diplomatic corps. We talk about the sovereignty of this place, yet we have signed up to things and signed away rights in the name of the British public without consulting them, and we have done it in their name.

All the changes that have happened are major constitutional changes that were found in the proposed constitution. They are the major changes on which the British people were denied their say when the Government reneged on their promise to hold a referendum. Conservative Members recognise that Lisbon was merely a cut-and-paste version of the constitution. On the BBC's "The Politics Show" on 24 June 2007, just a matter of days before he became Prime Minister, the Prime Minister said:

> "The manifesto is what we put to the public. We've got to honour that manifesto. That is an issue of trust for me with the electorate."

I wonder whether he now realises that one of the biggest factors in making him one of the most unpopular Prime Ministers in living memory is that he is unable to be straight with the public on any issue whatsoever. This is more important than what biscuit he likes—it is about the way in which we are governed in this country, and he cannot be straight with the British public.

To make matters worse, the Prime Minister has been totally out-manoeuvred on the European stage. One of the most important jobs in Europe has gone to Michel Barnier as Commissioner for the single market. Yesterday, Sarkozy was quoted as having said:

"Do you know what it means for me to see for the first time in 50 years a French European Commissioner in charge of the internal market, including financial services, including the City?"

It is important to stress that there is now a very important job, the holder of which will dictate what will happen in one of the most successful parts of what goes on in the UK and Europe. One senior banker has said:

"Surrendering control of the City of London to the French in return for some nonentity getting a non-job is one of the biggest fiascos of British diplomacy since Suez. The fact that Sarkozy is now being gleeful makes it worse. The Prime Minister must explain how he will protect the City from EU meddling or lose what remaining credibility he has in the City."

Mr. Harper: It is actually worse than my hon. Friend says, because Commissioner Michel Barnier is responsible not just for financial services but for the internal market. Those who greatly support our membership of the EU talk about getting good opportunities for British businesses to win business across Europe. Given that Michel Barnier is widely reported as having a protectionist past, he does not seem like the sort of person who will go around Europe opening up opportunities for British businesses.

Mr. Evans: Of course I agree. I shall come on to the non-job and the nonentity filling it, who is Cathy Ashton, a lady who has never been elected to anything and is doing rather well for herself. I would not know her if I fell over her—she is not a household name or face, yet she is now doing this job not for Britain but for Europe. A lot has been said about the need to be absolutely certain whether she is doing her job in the interests of the EU, but I suspect that the French, being the French, will very much look at what is in the best interests of France—they always do. I actually have a grudging respect for how the French always look after the French, and they have done so in this matter. We were all supposed to be gleeful about a Brit getting one of the so-called top jobs in Europe, but it did not make me gleeful at all.

We know that the EU does not yet have power over foreign policy, but I am sure that that is a work in progress. I suspect that in 20 years' time, if it does not have its own dedicated foreign policy and armed forces, it will be very disappointed. Foreign policy and defence should remain with sovereign states, and I was disappointed by a story in *The Sun* this morning headed, "Where the hell are EU?" It mentions the contributions of forces from other EU states to what is going in Afghanistan, which show that we are clearly not all working together. It goes through how many troops countries have there. We know that we have committed 10,000 troops to that war on terrorism, which affects everybody. Germany has committed 4,300, France 3,095, Italy 2,700, Holland 2,100, Poland 1,910, Spain 1,000, Romania 990, the Czech Republic 690, Denmark 690, Belgium 530, Luxembourg eight and Ireland seven. What the heck is going on?

Ms Gisela Stuart: This an extremely serious matter, and we should recognise that our troops fight with the Danes and Estonians, for example, who per capita have taken a bigger hit in the number of dead soldiers and have made a higher contribution. Let us have fun, but not on that subject, please.

Mr. Evans: This is a vital subject, and I am not having fun with it at all. The important point is not just the numbers, it is where those troops are. The hon. Lady is absolutely right to mention the number who have actually fallen, because it indicates what sort of role they are playing when they are out in Afghanistan. We know that there are trouble spots and other areas in which people are less likely to come into danger than a G4S security guard in a factory in London. Some countries attach conditions to the troops that they send, one of which is that it should be a nine-to-five job, and they don't want to come across any trouble, thank you very much. The chance of a body bag coming back is zero.

That prompts me to ask what we mean when we talk about Europe acting together on this vital issue. Spain, for goodness' sake, has been one of the greatest victims of terrorist attacks—not by al-Qaeda as such, but people in that country know what terrorism is, as do people in a number of other countries. The war against terrorism affects us all and we must fight the battle together, in similar numbers and without conditions. That is important, because the 10,000 troops we have given are in the areas where there is most hostility. We know by the number of deaths that have, sadly, taken place that our troops are on the front line, in the most dangerous parts of Afghanistan, shoulder to shoulder with the United States of America. That is where, I believe, the rest of Europe ought also to be. I would not dictate that there should be a Defence Minister in Europe who says that that must happen, but every Prime Minister of every EU country must look at their responsibilities and obligations regarding that war, and I want to see their countries playing their part in it as we do.

I am very much looking forward to the next general election. I am very sad that the Lisbon treaty has been signed and that the people of this country have been denied the opportunity of a referendum, which they were promised by Tony Blair and the Prime Minister. However, the reality is that we do not have that opportunity—the Lisbon treaty is law and came into force on 1 December.

It is appropriate, without going over old battles and looking at the scars, which have been mentioned, to look to the future and ask what sort of Europe we want to create. I am very much in favour of Turkey, Croatia, which I believe is next in line, and many of the Balkan states, if they wish to join, acceding to the European Union. We should not be a closed club. France and Germany are worried about how Europe is developing. They want a much deeper European Union. We clearly do not, but do we want a European Union that does not close the door on other European countries.

I am a proud member of the Council of Europe, in which there are 47 countries. Why should we turn around and tell Georgia or Ukraine, or indeed Turkey,

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that they can never join the European Union? They are all proud members of the Council of Europe. I believe we ought to consider expanding the EU as quickly as possible. Independent conditions should be laid down, and when countries meet them, they should be automatically eligible to join. That should be that—there should no politicking behind closed doors, as happens so much in the EU.

I was looking down the list of the great, famous Europeans who act in our name. Michel Barnier is one of the most famous—*[Interruption.]* I should imagine that my hon. Friend the Member for Rayleigh (Mr. Francois) would not be prepared to take one of those jobs. The list includes Antonio Tajani, Karel De Gucht, Connie Hedegaard, Günther Oettinger, Cecilia Malmström, and so it goes on. Our commissioners are led by José Manuel Barroso, whom people would be very unlikely to recognise if he walked into their local. All those people act in our name as part of this great European creation that has come about since we joined in 1973 and since we last had a referendum in 1975.

It is about time we struck back for this country. We get elected here, unlike Cathy Ashton, and we have a democratic right to speak on behalf of our constituents. The one thing that our electorate enjoy almost more than anything else is the opportunity to get rid of an unpopular Government and remove people they do not like. That is impossible with EU commissioners, all of whom earn considerable sums of money, as do the new President and foreign secretary. The President earns, I think, £350,000, but that might be €350,000—they are virtually the same value these days anyway. Those people, whom nobody would know, but who are governing in our name, earn incredible sums of money.

I look forward to the next general election when we will be able to give the British public an opportunity to put a party—the Conservative party—into power that will wrestle back those powers that have been given away, so that we can dictate how those powers are used. I look forward to the general election, after which we will have a sovereignty Bill, because it will give the people of this country an opportunity to put into power a Government who believe in the sovereignty of this Parliament. The next election will be vital. The Government made one of their gravest mistakes in the handling of the Lisbon treaty and denying people a referendum. It has provided a great opportunity for narrow, xenophobic parties such as the British national party and the UK Independence party to claim that they speak on behalf of the British people. Well, they do not, and I do not believe that either of those parties will have a Member of Parliament after the election. But they have been given a bigger platform by being able to claim that the Prime Minister denied the British people what they had been promised. The biggest error and the most undemocratic thing that the Prime Minister did was to deny that referendum because he knew what the result would be. He denied the British people the opportunity to vote no, and that was a shocking own goal.

3.47 pm

Kelvin Hopkins (Luton, North) (Lab): I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on a splendid speech, and I agree with every word that he said. Unusually, I shall strike a note of optimism about the future in my speech, because the tectonic plates have started to shift. We—apart perhaps from the hon. Member for Kingston and Surbiton (Mr. Davey)—have moved away from a sort of theological Europeanism towards a more pragmatic tone. There is still a big gulf between those who take a critical position, such as me, and Ministers, but the tone is more pragmatic. Indeed, the Minister for Europe was praising the pick-and-mix approach to the European Union, in which Britain has been a leader, as we have opted out of several areas and taken a more critical stance than others.

I am proud to be a member of the European Scrutiny Committee. We visit other member countries, speak to people there, and our approach influences them. They are surprised to find that we are a robust group of individuals with different views. We put our views trenchantly and strongly, and if something—such as the common agricultural policy—is total nonsense, we say so. That approach is engendering a more pragmatic approach to European matters.

Another reason for optimism is the events of the past couple of weeks. We were fearful that we would have a po[redacted]esident of Europe, with a powerful Foreign Mi[redacted]nd that we would move rapidly towards the supranational European state—a country called Europe—to which the theological Europeans so look forward. But that has changed. The leaders of the European nations, especially Sarkozy and Merkel, have asked themselves whether they really want a European Union with a President who would be the first person whom President Obama would call when he wanted to speak to the Europeans. They would rather he telephoned them. Angela Merkel in particular wants President Obama to call her first, not the President of the European Union. That is one of the reasons why they have promoted that very nice man, Mr. Van Rompuy from Belgium—I am gradually getting used to his name, although it has been a struggle—and Cathy Ashton. She is a very fine woman and I have met her on a couple of occasions, but she is clearly not the forceful Foreign Minister that people had imagined. There is cause for optimism, therefore, a pragmatism and a move away from the idea of a supernatural European state—I mean supranational, although theologians might want the former.

People emphasise to me that there will be no more constitutional change—certainly not towards federalism or a European superstate. The time has come for those who take a critical position to say, "Let's see if we can row back and repatriate some of the powers that have been given to the European Union, particularly in some of the most nonsensical areas, such as the common agricultural policy and the common fisheries policy."

I welcome what I see as a change of direction. My hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), the Chairman of the European Scrutiny Committee, welcomed the downgrading of the European President to a mere committee chairman. That is fine by me. I would like to see a lot of downgrading, including of the European Commission. It should be opened up and made much more transparent. Let us have it all in public. Why not? They can discuss things in public. Alternatively, we could have proper ministerial control, like we have here, with a civil service that does what it is told by Ministers, rather than the other way around. The European Commission, however, has powers to tell Ministers and politicians what to do.

We have seen a drawing back. On a recent visit to a member state, we were told that the French and Dutch referendums, which were lost, were a wake-up call to the Eurofanatics and theological Europeans, some of whom have now drawn back. The pressure to move towards a superstate has been undermined. For example, let us consider the struggles over the Lisbon treaty, which only just got through—it squeaked through in the end with a referendum and the Czech President having his arm twisted so hard that he finally agreed to sign. But it was a close-run thing. I believe that the future direction of travel will involve a rowing back rather than a move towards a superstate.

I want to talk in particular about economics, because the European Union is more about economics than anything else. It has been an attempt to impose a neo-liberal economic model across the European Union as one single European entity. That clearly has not happened. Several major states, including Britain, have chosen not to join the euro, and it is unlikely—I hope—that we will ever join.

Mr. Bone: As usual, the hon. Gentleman is making a sensible speech—*[Interruption.]* He is making a sensible speech—I disagree with the Minister for Europe. However, is the hon. Gentleman not hugely disappointed that it remains official Government policy to join the euro?

Kelvin Hopkins: Yes, but no one seriously believes it. We are all in favour of motherhood and apple pie, but we do not always pursue those, do we?

The fact that we were out of the euro and able to depreciate our currency gave a little protection to our industry during this appalling crisis. That showed the wisdom of our Prime Minister in keeping us out of the euro all those years ago. The Swedes have had a similar experience: they sensibly voted not to enter the euro and had a referendum as well.

There are, however, serious economic stresses inside the EU with the arrangement that it attempted to impose. The Greeks are at the sharp end of all this. They look likely to default on their borrowing and are in a very serious economic situation. The EU is unlikely to bail them out because it does not want to create what it calls a moral hazard—if one country gets bailed out, all the others will want to be bailed out. It can help one, if it is the only one, but we know that there are others. If it bails out Greece, why not bail out Ireland and some of the Baltic states? Clearly, therefore, Greece will not be bailed out.

Greece has enormous problems, and the logical thing to do—were I a Greek, I would be saying this—is to withdraw from the euro, recreate its national currency, depreciate it and then reconstruct what has been damaged internally. If that happens, other countries might do the same. I have suggested to Irish politicians—in a friendly way—that that would be a logical thing for them to do.

Ireland's natural partner economy is the United Kingdom, but the Irish have terrible problems because they are stuck in the euro up there. They blame us, saying, "It's your fault because you devalued," but if they had not gone into the euro, they would have been able to do the same thing as others.

There are also many countries in eastern Europe that are thinking twice about whether it was wise to have that economic model imposed on them. If they had kept their own currencies and gone for a balanced, social democratic, managed economy, they might have done better than by making the transition from a centralised, communist economy to extreme free market neo-liberalism. That has caused those countries all sorts of problems. If I were from one of those countries, I would certainly be arguing for a more managed economy and for those countries' currencies, saying, "Let's get a competitive value for our currency against others and work to build the economy on a sound basis for the longer term."

Mr. Harper: I am listening carefully to the hon. Gentleman, and most of what he says makes sense. One of the points that is often lost is that discussions about economics can become very introspective, with everyone talking about the European Union and forgetting that it is probably one of the slowest growing parts of the world. For our economy in the future, what we in this House need to focus on is the faster-growing parts of the world and Britain's ability to compete and trade outside the European Union, as well as with our European partners.

Kelvin Hopkins: Indeed. Growth is at the heart of it all. As my hon. Friend the Member for Great Grimsby pointed out, the European Union has been a massive drag on growth across the European Union, but particularly in Britain. If we had not been in the European Union and instead been able to negotiate our way in the world, we would have grown more quickly. The sheer fact is that we have net fiscal transfers to the European Union that take out a chunk of our economy every year. If we had invested that money over the past 30 or 40 years, we would have a higher standard of living now. It is absolutely right to say that the European Union has acted as a drag on economic growth, not the other way round. The idea that we should deflate our way to success is quite mad.

The European Scrutiny Committee recently visited Spain—we came back yesterday—where we had some interesting discussions. Like Ireland, Spain was one of those countries that initially benefited enormously from going into the European Union. It went into the eurozone at a comfortable parity and with reduced interest rates, all of which pushed its growth. Spain also received substantial fiscal transfers, through both structural funds and the CAP. It experienced rapid growth and everything was going along nicely, but now Spain has got into difficulties. Growth has stopped and unemployment is rising; it seems likely to rise to some 20 per cent., with 40 per cent. youth unemployment.

There is an argument in Spain that says, "Let's just restructure. Let's have some reform and a bit more competitiveness." However, that will not solve a problem of that magnitude. One has to look at serious control of one's macro-economic basics and at the Government managing the economy in a direct way. Just changing the terms of trade and getting wages down in order to compete more effectively with other European nations will not solve Spain's problems. Indeed, those whom we met were quite shocked by our, let us say, robust comments on Europe, the European Union and how it operates.

I have fallen into the trap myself. My hon. Friend the Member for Great Grimsby kept referring to Europe, but the European Union is only a part of Europe. It

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represents a particular model of politics and economics that has been imposed on a group of nations within Europe, but it is not the complete Europe. Some countries that have chosen to stay outside, such as Norway, have done rather well. I know that Norway has oil and fish, and so on, but it has chosen to stay outside and has done rather well. I am not suggesting that we should leave the European Union, because that would be seen as bad form. *[Laughter.]* We want to be comradely with our fellow European nations.

We want to see radical change and a move back towards the kind of post-war social democracy that worked so well between 1945 and 1970. Lots of myths have been perpetrated about that system, but it worked well. We had steady growth, full employment, rising living standards, growing equality and growing welfare states. It all worked well, until somebody had the bright idea of destroying it all. The European Union has taken that model and imposed it on us, which has been a big mistake. We ought to rethink where we are going economically. Unfortunately, I will not be asked to do that; if I were, I would know what specific things to do immediately—but there we are.

Let me deal briefly with some of my other concerns. I have already mentioned enlargement and whether or not it is a good idea. There has been a change of mood on that, and I believe that even my hon. Friend the Minister for Europe—we used to debate these matters enthusiastically when he sat on the same Bench as me some time ago—has adopted a more pragmatic rather than theological tone, if I may use those terms again, which is very sensible, too. I look forward to more European debates with him. I am happy to have him representing our interests in Europe, as I believe he is one of the most intelligent Ministers for Europe we have had—we strongly disagree on some issues, but he has a real grip on things—and I believe that he will represent us well.

The common agricultural policy and the common fisheries policy are the real problem. If we are to roll back the European Union, that is where I would start. The CAP still takes about 41 per cent. of the European budget, which is massively distorting. France and Spain, for example—two of the more prosperous nations—are still net recipients of funding, while we are a massive net contributor. That is nonsense. I believe that each country should manage its own agriculture. We should choose what we do and do not subsidise. We should decide what level of agricultural production we want in our own country for security reasons. It is wise to retain some degree of agriculture for the long term. A country that cannot produce sufficient for itself is a poor country.

Mr. Evans: Does the hon. Gentleman agree that although so much of our money is going to support European agriculture, a lot of it is being hived off for the bureaucracy, and this country still has farmers—certainly dairy farmers in my constituency, for example—who are going out of business simply because they are producing at a cost greater than the price they can get for their milk? Is not the CAP letting them down badly?

Kelvin Hopkins: Indeed, the whole thing is a bureaucratic nightmare. All those organisations and structures are always inefficient. I think that the polities or Governments who can make the best decisions on behalf of their agriculturalists are the national member states. Our Government would make much better decisions about how and what to subsidise than any European Union could ever do. The milk producers would have a much better time if they were looked after by our Government rather than by the European Union.

Let me finish by saying that the biggest nonsense of all is the common fisheries policy, which has led directly to the over-fishing of our seas. They will not be restocked, I believe, until we abolish the CFP and re-establish the national waters that used to be recognised, so that each country has responsibility for husbanding its own resources in its own fisheries. The issue would be taken more seriously in that case. While it is possible to fish in other countries' waters and land "black fish" as they are called—effectively cheating on the system and over-fishing elsewhere—countries will carry on doing it. Only when they have the responsibility for managing their own waters will we start to see fisheries restocked as they should be and a more sensible approach to fishing. We all enjoy fish, and as we have been told over the last couple of days, the Spanish enjoy them more than anyone else. Unless we go back to that system, however, we may finish up not being able to eat any fish at all. I would have liked to have spoken for longer, but perhaps I have said enough.

4.3 pm

Mr. Robert Goodwill (Scarborough and Whitby) (Con): There has been a lot of debate this afternoon about influence and securing positions, and we have discussed how the work of the European Parliament can impact on the UK's influence on legislation and other matters. Having been a member of the European Parliament for five years—more than five years ago now—I know that there are interesting contrasts between debates there, where one is allocated two minutes at 8 pm so that one has to sit down at 8.2 pm, and debates here, where there is genuine discussion and testing of arguments as a result of interventions and so on.

The problem in this Parliament, partly because a party is either in government or it is not, is that there is no real communication between the parties aimed at reaching a consensus. That may be a good thing in some ways, but it often means that the views of minorities are not taken into account in quite the same way. The voting system in this Parliament means—we saw this happening last night—that amendments sometimes cannot be debated or voted on. At least the European Parliament could vote on 300 amendments in the space of an hour, and Members could table amendments in order to put down a marker. Even if they knew the amendments would not succeed, it would allow them to smoke out the opposition, who might have to declare their position.

There has been much talk about the new Conservative group in the European Parliament. There has been some criticism from Labour Members, much of which is, I think, due to a misunderstanding among both the wider public and the political elite—if that is the right word for the House of Commons—of the way in which the European Parliament works and influence is brought to bear. That is not helped by the fact that our newspapers rarely, if ever, report on the ministrations and machinations of the European Parliament. Only *The Financial Times*

seems to take the processes there seriously. Today a Liberal Democrat made the sensible suggestion that a European Question Time in the House of Commons might provide a useful way of separating European policy from wider foreign policy.

Mr. Bone: I hate to disagree with my hon. Friend, but throughout the debate only one Liberal Democrat, at best, has been present. I really do not think we should be taking too much advice from the Liberal Democrats on Europe, especially after their performance last night.

Mr. Goodwill: Even the Liberal Democrats—dare I say it?— occasionally come up with good ideas. I know that that is a controversial statement.

The Conservative party used to sit with the European People's party and the European Democrats, the biggest group in the European Parliament. The European Democrats "bit" was the Conservative "bit". It was recognised that the British Conservatives had a separate Whip. The reason for that was the fundamental difference between the British Conservatives' vision of Europe—I suppose it could be summed up by the famous slogan of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), "In Europe, not run by Europe"—and the majority of the rest of the European People's party, who were intent on establishing a federal united states of Europe.

That system worked well to a degree. Many of us who were MEPs engaged well within the group. I was a deputy co-ordinator in the environment committee, and a member of the bureau. However, there was always a niggling doubt about whether the thrust of the group's policy was going in the direction that the majority of the people who had voted for me in Scarborough and Whitby at the last election would have wished. I was delighted when our new group was formed because it allowed us to be a good neighbour to the EPP, rather than an annoying and irritating tenant from time to time.

I predict that the operations of the EPP group and the new Conservative group in the Parliament will work very well. Having been a member of the environment committee, I know that in order to secure the majorities that are needed—particularly on Second Reading, when a majority among those eligible to vote is required rather than a majority among those who turn up on the day—it is vital to get the other political groups together and, often, to forge a compromise agreement. I am sure that the new Conservative group will be the first port of call for the EPP when it wishes to get its amendments through. I often found that I had to do deals with all sorts of people—green communists, former communists, Liberal Democrats and, on many occasions, socialists—to get amendments through.

The criticisms levelled at the new group are largely unfounded, and I do not believe the British Conservatives will lose influence as a result of the new arrangement. As has already been pointed out, Malcolm Harbour, an excellent west midlands Conservative MEP who used to work in the motor industry, will chair the internal market committee. I can think of no one more suited to advancing the work of that committee. Philip Bradbourn, another west midlands MEP, is to chair the committee for relations with Canada, and—this is more significant, in my view—Struan Stevenson is to chair the committee for relations between the European Parliament and the new Iraqi Parliament. Those are important positions of influence.

Every committee also has a team of co-ordinators who dole out the reports and sort out the business. In the past, it was often frustrating when there was no Conservative, or even like-minded EPP, co-ordinator. Deals were done behind closed doors without our being involved.

The new group will have a co-ordinator on every single committee, which means we will have a voice on every committee when those important reports are given out. *[Interruption.]* The Minister says we will not get any, but only last week Martin Callanan, a British Conservative from the north-east of England, secured the very important report on light commercial vehicles and CO_2—I am sure the hon. Member for Luton, North (Kelvin Hopkins) will be interested to learn that that report has been secured by a British Conservative—which will enable him to take that legislation through the Parliament in the same way as a Westminster Minister takes legislation through this Parliament, and steer it in the right direction.

I therefore strongly feel that this new group will be able to secure such important reports. Indeed, we might do particularly well in securing smaller reports. I remember that the EPP and the Socialist group would often save up their points for a bidding battle on a very big report, and the smaller groups such as the Union for Europe of the Nations and the European Democratic party would therefore pick up along the way many smaller reports, which nevertheless had a lot of influence on business and employment in the fields they addressed.

Many people do not understand how the rapporteurs and co-ordinators work; when people do, they can understand just how much influence we will have. That particularly comes into play in the context of conciliations. I was a member of the EPP's conciliation group. We had meetings that went on late into the night, sometimes finishing at 4 o'clock in the morning. I remember a meeting on the waste electronics directive. We were very keen to prevent the producers of printers from making printer ink cartridges non-recyclable by putting a smart chip in them, which would mean that they could not be replaced. I and a Liberal Democrat Member, Chris Davies, threatened to walk out, make that committee inquorate and force the Environment Council to give in on that point. That is an example of a Liberal Democrat who represents a small group being able to make an important impact on the work of the Parliament. The European Parliament is not like our Parliament, where we are either batting or fielding. There, we all take turns to bat, and the new group will have some very good opportunities to do so.

Bizarrely, it has also been said that President Sarkozy and Chancellor Merkel will not talk to the leader of my party if the Conservatives are not in the same group as their parties. It is interesting that they talk to the current Prime Minister of this country, even though he is in a different group that is diametrically opposed to their views.

One particularly frustrating aspect of my time in that Parliament was that, in trying to cobble together deals and get vital majorities in Britain's interest, we were often working closely with officials and Ministers of the British Labour Government, but their own Members of

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the European Parliament refused to take the advice they were getting from Westminster. Instead, they sometimes sided with their European socialist colleagues and blew legislation out of the water. I am thinking in particular of the large combustion plants directive. We sought amendments to exempt some of the smaller coal-burning stations that operated for short periods at peak demand. The advice from the British people in Brussels—the United Kingdom Permanent Representation—and from British Ministers was that we should get those amendments through to protect our coal mining industry and those coal stations in case of peak demand. However, Labour MEPs combined with colleagues in the European Socialist group to undermine those amendments and prevent that from happening. As we warned at the time, that has contributed to some of the energy supply problems we now face in this country.

Many of the new Members of the European Parliament from newer states such as the Czech Republic and Poland very much share our view that we should have a Europe of independent member states. That may be because they have experience of being dominated by another capital—Moscow—and do not want quickly to exchange that for another situation where domination, albeit more benign, can be imposed from Brussels.

Whatever happened to subsidiarity? Perhaps the Minister will address that in his winding-up speech. I remember that when I first arrived in the European Parliament, subsidiarity was the buzz word. The fashionable topics were devolving power down to member states and only making decisions at the European level if that was absolutely necessary. In the new treaty, however, things are going in the opposite direction, which is a great concern.

I am very proud that Polish and Czech members from mainstream parties in their countries have joined us in our group. Some of the criticisms that have been levelled at my colleagues—especially Michael Kaminski, whom I have known for six or seven years—are absolutely unfounded and I hope they will not be repeated in this Chamber.

A lot has been said about the waste involved in Europe and the fact that its budget has not been signed off for 14 consecutive years. I speak as a farmer who has received common agricultural policy aid, but the CAP has distorted markets and, in particular, third-world access to them. How can anyone justify spending €1 billion of taxpayers' money every year subsidising tobacco production in southern European states? Much of this tobacco is of such low quality that it cannot be consumed in the European Union and has to be exported to third-world countries, where, obviously, it contributes to health problems. How can that situation be justified?

How can the Strasbourg Parliament be justified? It is outrageous. I recall the frustrations of having to pack my stuff into those tin boxes—we always missed out the important file that we should have taken—and of trying to work there; the expense of travelling there, and of transporting all the officials there and putting them up in hotels; and the difficulties of working there. One way to make progress would be to prevent the continuation of the Strasbourg fiasco.

I shall discuss two European institutions that I have not even heard mentioned in this Chamber in the nearly five years that I have been a Member: the Committee of the Regions and the European Economic and Social Committee—ECOSOC. Now that the European Parliament has come of age—now that we have co-decision on fisheries and more co-decision is coming into the Parliament—what justification can there be for the duplication that ECOSOC and the Committee of the Regions represents? When I was in the European Parliament, I discovered, by accident, that a report I was handling on motorcycle emissions was also being discussed in the Committee of the Regions. I do not know what happened to the results of those deliberations—they certainly were not communicated to the Parliament. They might have been communicated to the Council, but I never heard Ministers or officials referring to the concerns that had been expressed in the Committee of the Regions.

That is bad enough, but then there is the cost to consider. The Committee of the Regions has a brand new building—it might be four or five years old—on rue Belliard in Brussels. I managed to find the accounts for ECOSOC, from which I discovered that its annual budget is €120 million. The committee does not give money out to people to do things; it is a purely bureaucratic organisation that discusses matters and duplicates the work of the European Parliament. May I make a suggestion that the Minister might like to adopt if he gets the opportunity to see how these committees can be reviewed? We got this suggestion through the environment committee in the European Parliament, but it foundered at the plenary session. We said, "If member states are so keen for the Committee of the Regions and ECOSOC to continue to do their work, why don't they pick up the bill for the subsistence and travel costs of the members from their own countries?" Why not have such costs justified at the Dispatch Box in this House when the Budget is considered?

I suspect that if we had to put our hands in our own pockets, rather than just relying on the European budget, we would look more closely at the work of these committees and ask whether we really need them. I suspect that we would ask whether they are now superfluous because the European Parliament has developed from a talking shop to a real legislature, and the two committees are still mired in that talking shop situation. I hope the Minister will think about this matter, and if my hon. Friend the Member for Rayleigh (Mr. Francois) becomes the Minister for Europe, perhaps he will think about how we can save some money and restore some common sense.

People are perhaps disenchanted with Britain's membership of the European Union now. I am enthusiastic that Britain should remain a member, but I am disappointed that people did not get an opportunity to vote on the Lisbon treaty. Such a vote was promised by all three parties at the previous election. There is no point in having a referendum now; there is no point in closing the stable door after the horse has bolted. Nobody should be in any doubt as to who is responsible here—it is the Prime Minister of this country, who denied people the referendum we thought Tony Blair had promised us.

Europe should be more democratic and closer to the people. By signing up to the Lisbon treaty, the Government have moved in the opposite direction. They must be aware of that, as they were punished at the European elections with the lowest share of the vote ever achieved by the Labour party in a national election. I believe that they will be punished again at the next general election.

4.20 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is a pleasure to follow the hon. Member for Scarborough and Whitby (Mr. Goodwill), who is one of the few people who understands how the European Parliament works. He is quite right about those committees. At one stage, about six years ago, I thought that we were at a point at which the Committee of the Regions had been abolished and had fallen off the table but, like everything else, it just crept back in again.

I am very sorry that the right hon. Member for Richmond, Yorks (Mr. Hague) is not here today. Last time we had a debate on the European Council I offered him a wager that the Conservative party would not have left the EPP group by the time of the next debate. I am happy to say that I was wrong, but in time, he will probably realise that he was wrong to have done that.

I know that we have talked a lot today about the Lisbon treaty and everything associated with it—perhaps this will be the last time that we talk about it—but we do need to consider a project that has taken eight years of gestation to come to fruition. Looking at the result, I would not recommend eight years of gestation. Another thing that strikes me, looking at the list of Commissioners, is that I recognise names like Karel De Gucht. These people were around during the Convention on the Future of Europe. The address book of the European Union is extraordinarily small. We are talking about 350 million people, but that political elite recycles itself. I include Commissioner Barnier in that, because he was a representative of the Commission at the time of the Convention. I remember him, on one occasion, defending most persuasively the idea that the provisions for subsidising the French film industry had to remain by unanimity because they were good for France and therefore good for Europe. In my discussions with him, I have not seen him to be the greatest liberal free trader—but I hope that the leopard has changed his spots.

As I listened to the debate I wondered how the Opposition would have reacted if Britain had got Mr. Barnier's job and a French person had got the High Representative job. I am sure that some would have said that it was a great triumph for the French to have the foreign portfolio. It always strikes me that we all peddle the national xenophobia and stereotypes with such great joy. In particular, the entire speech by the hon. Member for Ribble Valley (Mr. Evans) was permeated by the extraordinary realisation that Europe is full of foreigners, and he does not recognise them. They probably feel the same about him. Let us move on from that, and talk about the important things.

One of those important things is the disgraceful situation with regard to the referendum. It was promised by all three parties, but I would say that all three parties reneged on their promise in different ways. Labour pretended that it was a different document, and the Lib Dems changed the question; they had to, otherwise the noble Lords would have revolted, so it became a question of whether to be in or out. The Opposition were very clever, particularly the right hon. Member for Richmond, Yorks. He made us laugh during those Lisbon debates. He was so funny that I even purchased a copy of his speech on Second Reading. It was worth it.

The question is, why did the right hon. Gentleman make us laugh? He made us laugh to cover the fact that there was no real opposition from the Opposition—[Hon. Members: "Oh!"] Indeed not. They agreed to the programme motions, although they could have negotiated a different debate. There was no serious attempt to do so, because in the hope of winning the next election, the last thing that the right hon. Member for Witney (Mr. Cameron) wanted to have on his hands was a European referendum, and for the question of Europe to be reopened.

That brings me to the Leader of the Opposition's other promise about a referendum when powers are transferred in future. I have really bad news for him: what further powers does he think will be transferred on which he can have a referendum? Such cases will either already have been moved to qualified majority voting or will be subject to the passerelle clause. By the way, his suggestion is that a passerelle clause will be subject to the full parliamentary process.

So there is no change then, is there? Hon. Members should remember that in our parliamentary system Governments have the majority—that is why they are the Government—so they can always whip through votes. A Government that went to Brussels and agreed on the passerelle vote but thought that they might lose the vote here would be a pretty ropy Government, so that point is meaningless. As for a sovereignty Act, I think a sufficient number of people have already said what nonsense that idea is, because it implies that we do not already have sovereignty. What if there were not a Conservative Government next time around, or if a successor Government repealed the Act? Would that imply that we no longer had sovereignty? If that is not so, what would be the point of it?

Mr. Cash: Will the hon. Lady give way?

Ms Stuart: I will, but only this once.

Mr. Cash: The problem that the hon. Lady is missing is the competition for sovereignty between the primacy of the European Court and the sovereignty of the UK Parliament. Where there is uncertainty, which there certainly is regarding declaration 17, which is annexed to the treaty, the Supreme Court will—not may, but will—take a position regarding which of those two prevails. The way in which the Court is moving makes it more likely to go along with the idea of the primacy of the European Union, and, if necessary, to take the matter to the European Court, which would be definitive in relation to the Costa and Handelsgesellschaft cases and all the others. That is the real problem, and that is why the sovereignty Bill is necessary and has to be comprehensive.

Ms Stuart: I thought that the hon. Gentleman would take that view, but I disagree with him. Sovereignty to me is a bit like pregnancy: one either is or is not. However, his point leads to me something much more important. Rather than screaming about sovereignty, this is about the presumptions of the negotiations. People have already mentioned financial regulation. The headline "Darling loses key EU battle over fiscal sovereignty" has been brought up in relation to the presumption about the burden of proof. The presumption is not that the Commission has to justify what it is doing; the member state has to make a case, on a majority, that what is being done is not justified. The real way around this is to change those presumptions. The hon. Member for Scarborough and Whitby talked

[Ms Gisela Stuart]

about what has happened to the word "subsidiarity". My argument is that rather than argue about reclaiming powers, we should have a different presumption.

Subsidiarity has disappeared from the scene because it does not work. In the past 10 years, the Commission has only ever had one proposal rejected because it was deemed to breach subsidiarity—the zoo directive, which we tried to bring in during our presidency. That is hardly a great record. Every EU directive that comes forward ought to contain in the preamble proof that the measure cannot be implemented in nation states, and therefore has to be handled at EU level. That would change the whole argument and would mean that rather than people always having to defend what is done at EU level, the EU would have to make the case that the nation state cannot do certain things.

That point brings me to an issue that we never mention here. The debate is about European affairs, and we ought at some stage to talk about the nature of the nation state. I want to do that briefly today. What is our relationship? We say that Europe is great because we are all in favour of co-operation, but co-operation and political integration are two very different things. We saw this earlier when we talked about fiscal stimulus. That was not about political integration: it was about co-operation, and member states doing something at the same time.

The reason why I am so angry about the referendum is that with the passing of the Lisbon treaty, we have created a supranational institution. There is all the talk about rowing back, but it has gone. Forget it, folks; it has been sold. There is now a supranational institution that has never had the endorsement or consent of the 350 million people across the European Union, because referendums were either ignored or were rubbished on the basis that the issue was too complicated and people were too stupid to take part. That is an argument worth talking about. Governments should show leadership and take people to places that they do not yet know are good for them—but although political leaders have to adopt that leadership role on occasion, there is always the reality test of a general election, when a Prime Minister who takes the country in a direction that it disagrees with gets kicked out.

There is no mechanism in the EU that allows the people to be asked whether this new supranational institution is what they want. My suspicion is that they probably do not, but that is neither here nor there. I have become agnostic on this matter. I grew up in a federal state so I have no problem with federalism, but I also remember the Austro-Hungarian empire—*[Interruption.]* Not personally, of course, but I grew up with its heritage. That extremely authoritarian institution finally collapsed because it tried to replace national identity with ethnicity. It is always very bad when identity is represented through ethnicity rather than through institutions in the nation state, and we need to be extremely careful in that regard.

Mr. Bone: As usual, the hon. Lady is making a very powerful speech on Europe. Can she tell us what the solution is? We are now part of this supranational entity, even though there has not been a referendum. How do we change that, and get the situation back to what I believe both she and I would prefer?

Ms Stuart: I think that it is extremely difficult. A couple of weeks there was a programme on Radio 4 called "Analysis: Divorcing Europe", which was starting to look at some of the options for challenging these presumptions.

I want to make two other points, and the first is about this place. We are kidding ourselves if we think that by voting on Select Committee Chairmen, setting up better visitor centres or going online and so on, we will achieve a deepening of parliamentary democracy. We are losing power every step of the way: we have not even begun to come to terms with how we deal with legislation coming out of Brussels, because merely being told more about it is very different from actually having power and influence over it.

We have devolved power to Wales and Scotland, but we did not think about what would happen to England as a result of that process. We sit in Westminster, but we have lost power on both sides and we have lost our purpose. I suggest that that is why the expenses scandal has been so damaging. We have failed to defend ourselves, individually and collectively, because we have lost our sense of purpose as an institution. The real challenge for the next Parliament, when it comes in after the election, is to remind itself that its function is not just to talk about things but to hold the Executive to account. We have singularly, totally and completely failed to do that in respect of Europe.

I shall finish with one example to illustrate that. We have known that there was going to be a President of the European Council and an External Action Service, because they have been in the pipeline for years. Nothing has changed: it is just that the negotiations have dragged on, but do we know what the Government's position in those negotiations has been?

I have here a letter to the Chairman of the European Scrutiny Committee, dated 20 November. The Europe Minister always glares at me when I say something, and then he always assures me that my challenges are baseless. However, I want him to prove that he can be a serious politician and engage with the question that I am putting to him. I should like some precise answers to the questions raised by the letter, which speaks of the

"establishment of the European Council as an institution under the Lisbon Treaty".

That is important, because it is the first time that the Council of Ministers has been recognised as an institution. The fact that it is an institution that can define its own powers is much more significant than who the current President is. At the moment it might be a Belgian, but it could be anybody in five, 10 or 20 years' time.

The rules of procedure will be agreed. The letter says that

"a set of Rules of Procedure for the European Council"

is being drawn up,

"which we expect to be tabled for adoption by the European Council either at the December European Council or by written procedure".

So if we already have the rules of procedure—if it is known what they will be—it would be helpful for the House to know them. I hope that the Minister does not just fudge things by saying that this will be done by written procedure, and the House will not be involved. We need to know what the rules will be, because that will decide who draws up the agendas and final conclusions,

and who has a role in the Internal Affairs Council. It is no good the Minister frowning like that; these are incredibly important institutional questions about which the House is never told, and which we are never even given the chance to discuss. We would like to see the draft text and know what the review procedure is.

As I have said, this is the last such debate before the general election. An extraordinarily select few Members keep turning up, and 90 per cent. of the speeches that we give could be, and probably have been, given at every one of our six-monthly debates, so I suggest that we take them seriously. If they are meant to be about European affairs and the run-up to a Council, will the Minister give me some indication whether any Foreign Secretary, on going to a European Council meeting, has changed their mind or position as a result of such speeches?

4.37 pm

Mr. William Cash (Stone) (Con): I am extremely glad to follow the hon. Member for Birmingham, Edgbaston (Ms Stuart), although I do not agree with her about everything, particularly the sovereignty Act, which will give us a genuine opportunity. I certainly would not say that out of deference to the leader of my party or my Front-Bench colleagues; I say it only because I believe it.

None the less, what the hon. Lady said was based on knowledge. I very much agree that these debates are badly attended, and I deplore the fact that people are besieged and completely cowed by the complexity and the labyrinthine bureaucracy lying behind so much of what is churned out by the European Union. It is encapsulated by what Giscard d'Estaing—it may have been somebody else, but it does not matter—said about the Lisbon treaty: it was made complicated deliberately so that nobody would understand it. That is how we are being governed.

This is not about government through the European Union; it is about power and control over our Government through majority voting and the lethal power of co-decision. It is about the transfer of power, no less than during the 1640s, when movements were made towards a constitutional monarchy but were denied by civil war, which was followed by the execution of Charles I and the restoration of the 1660s. We transferred power away from the Stuarts after James II to the Hanoverians, maintaining the fiction that we were preserving the monarchy. Actually, it was a transfer of power. That is what this is all about.

The same happened again in the 18th century, followed by the Reform Acts. The hon. Lady represents Birmingham, as did John Bright, and the great Reform Act and the granting of the vote to the working class were followed by the secret ballot and then, thank heavens, by the vote for women in the 1920s—that was the transfer of power. Then came the European Communities Act 1972, which was a real transfer of power. That is why she is right when she talks about a referendum, as I have done so often. In 1975, the Labour Government, to their credit, gave the people of this country the opportunity to express their view. I know which way I would vote. I voted yes in 1975, but I would not have done so if I had known what would happen. I voted that way not because of ignorance or naivety, but because we were lied to. That is the bottom line. We were told that we would be given the opportunity to engage only in the European Community. We were told in the White Paper—I remember it very well—that we would keep our national veto because it was in our vital national interests to do so. The White Paper went on to say that to do otherwise would undermine the very fabric of the European Community. The veto was necessary, according to the White Paper, for the sake of the European Community, which has become the European Union.

The reasons why we need to have a referendum are absolute. The people of this country are being denied the opportunity to have their say, and they ought to have their say because many millions of them were born since 1975, and they have been denied the opportunity to express their view. It is really important that we have a referendum, and I have by no means given up on the idea that we will have one through a Conservative Administration. We need one sooner rather than later, but that is only part of the problem.

The real problem, which is associated with the reasons for the referendum, is that there has been such a significant change in the functions of the European Union. Much more power has been transferred to the bureaucracy and to the labyrinthine process that I witness every week at the European Scrutiny Committee, on which I have sat for 25 years. I may add that I have been consistently outvoted, because every Committee in those 25 years has been packed with people who vote the other way. I say with respect to the hon. Member for Luton, North (Kelvin Hopkins) that, occasionally, he votes with me, and I am grateful for that, but such support is contrary to the normal trend. Indeed, on crucial matters, such as the assessment of treaties, I have to write minority reports.

Kelvin Hopkins: I agree with the hon. Gentleman, but I am sure that he is aware that there is growing scepticism throughout the European Union, and particularly among the young. The Eurobarometer opinion poll shows lower support each year for the European Union, particularly among the young, and that is an optimistic finding for the future.

Mr. Cash: That may be true, but the problem is about political will and the opportunity that people have to express those views not just in a referendum, but even in this House. People are faced with mind-boggling complexities, and it is completely impossible to run the country. We are in charge but not in control. We are not governing the country in line with the democratic wishes of the people. As I said in *The Daily Telegraph* the other day, we are merely acting as managing agents for the European Union.

The situation is exactly the same when we come to the argument on financial services. We have been through that issue, I have spoken about it over and over again in the House, and I have written to the *Financial Times* about it many times. We are told that we will have national supervision, but we should forget that, because, as I said in the financial services debate the other day, rules, which will be imposed on us by European regulations, will require certain actions. The question of whether the Commissioner is Monsieur Barnier or anybody else may be important, but the real question is, where does the power lie? As of yesterday, when we allowed the relevant measure to go through and the Chancellor of

[Mr. Cash]

the Exchequer made his deal, the City of London was effectively no longer able to exercise that power over financial services.

I have been critical of the trade associations in the City of London for allowing that supranationality. In the papers today, I have seen some incredibly hypocritical cant from the leaders of those organisations, who could have put up a real fight but allowed the whole thing to go through, putting 15 per cent. of our gross domestic product at risk. Indeed, I was very glad of the support of my hon. Friend the Member for Cities of London and Westminster (Mr. Field) when I spoke in the debate two days ago. He agreed that the practitioners whom he had met—he is more likely than many of us to meet them—realised that the situation was not good for their businesses. Many young people are leaving the City of London to go to Zurich, Monaco and other places precisely for that reason.

The real question is one of power and sovereignty, and that is why I applaud the sovereignty Act proposed by my right hon. Friend the Member for Witney (Mr. Cameron). I have had discussions with him and my hon. Friend the Member for Rayleigh (Mr. Francois) about it, and I will continue to have them because I do not give up—ever. They know that we must have a proper sovereignty Act. My point to the hon. Member for Birmingham, Edgbaston is this: the competition of the sovereignties is very real and we cannot allow ourselves to be run by a judicial autocracy; there is the political power to consider.

In March, in an important speech on the Human Rights Act 1998, Lord Hoffmann set out his objections to the way in which the Strasbourg Court was arrogating to itself federal, judicial and quasi-political activity. The same could well apply to our own Supreme Court, for the same sorts of reasons. In his very important Maccabean lecture, Sir John Baker, one of the greatest of all legal historians, launched a proper and incisive attack on how Parliament—this Parliament, here in Westminster—has allowed itself to lose its credibility, as the hon. Lady has also said.

We have lost credibility, not so much in respect of the kind of questions that have been blasted all over the newspapers, although those have contributed, but because we have lost the confidence to exercise our role of accountability in respect of the Government of this country, who themselves, at one remove, have abdicated their responsibility by their policy of appeasement on the European Union.

Ms Gisela Stuart: On the question of competences and sovereignty, does the hon. Gentleman not agree that the Lisbon treaty creates a competence to create competences? The question of sovereignty is not so much a problem with the courts, as with the fact that the treaty can organically create its own powers. That is beyond the reach of any sovereignty Act.

Mr. Cash: That is not so, I am afraid. I shall not spend the rest of my speech explaining why, although I will be happy to talk to the hon. Lady about it later. I shall be dealing with the matter in due course in Parliament as a whole.

The hon. Lady referred to the competence question. In relation to the German constitutional court, I have argued for a long time—not in an anti-German sense, but simply because that country is the predominant force in Europe—that Germany is creating a situation in which it determines, through the Karlsruhe court, whether its own constitution will determine the future of Europe. The court is saying that Germany will not do anything inconsistent with its constitution. Gerhard Schröder put it this way a few years ago: "I am European because I am German." That is important because we have to understand that this is about not only the law but matters of foreign policy and the national interests of individual countries represented as the member states of the European Union.

There was a similar situation, although a long time ago, with regard to the development of the United States. John Taylor, a great ally of Thomas Jefferson on states' rights, set out unequivocally the basis on which in the United States constitution the states' rights were to be absolutely at the heart of the American federal system. The European Union does not exactly have a federal system, but all the necessary ingredients are there, with one great exception. In relation to economic competitiveness, the single market is governed by a uniform system that, as I said in the debate on the financial regulations, prevents competitiveness. We do not have states' rights in the European Union. One reason for the success of the American economy has been those states' rights, which have created an economic environment within which the United States has been capable of developing its economy. We have a mixture of political failure and over-exuberance—perhaps even over-indulgence—in the judicial field, in respect of the European Court of Justice and, quite probably, of our own Supreme Court.

In addition to that, we have economic failure. The reality is that Europe is not working. There is very high unemployment, as there always has been. I said this during the debates on the Maastricht treaty as well. The bottom line is that there is interference in every nook and cranny of every part of the lives of the people whom we represent. It does not work; that is why we need to have renegotiation.

In a referendum, which I believe is still essential, the question that I would put, as I said in *The Daily Telegraph* the other day, is "Should the United Kingdom renegotiate the terms of its relationship within the European Union?" That is not an "in or out" question, but, believe me, if we presented it to people we would get at least 80 per cent. saying yes, we should renegotiate those terms. That would then enable the United Kingdom to lead the process of renegotiation to turn this increasingly amorphous, homogenous and utterly useless organisation into something that could work effectively on the basis of political co-operation and trade—a semi-EFTA, or European Free Trade Association, arrangement—and get rid of the notion of European government, which is completely autocratic and is destroying our democracy.

These are not just the rantings of a Eurosceptic. This is about good government and democracy, and proper accountability, in relation to the wishes of the electorate whom we are supposed to represent. I agree with the hon. Lady about the Committee on Reform of the House of Commons set up under the chairmanship of the hon. Member for Cannock Chase (Dr. Wright).

That is only nibbling at the root of the problem of how to return real accountability to this House. We should rediscover the confidence to be able to hold the Government to account and to ensure that we are not just run by the Whips through a process of advancement, preferment, ministerial office and whatever else. We represent the people of this country, and it is our duty and task to ensure that we are guaranteeing that they are governed in a proper and sensible manner. By ceding this massive degree of control to the European Union, we have abrogated our responsibility.

I can understand that in 1945 people did not want to have another war in Europe. My father was killed in the war. However, times have changed. The problem is that the arrangements that were set up and the development of the functions of the European Union have not kept pace with what is required. We have allowed more and more integration when we should have been creating an association of member states. That is what we should have been doing, and that is what we have to come back to; otherwise the people of Europe will suffer as well as the people of the United Kingdom. We have to restore to the people, through the ballot box, real democracy on the ground. This is not just a theoretical and ideological approach—it is about making Europe work in the interests of the people whom we represent, as we are completely failing to do so.

We are told that we have to put the economy ahead of the European issue, but the trouble is that the economy is affected by the European issue. There is over-regulation, which costs European businesses €600 billion a year. There are the problems of the common agricultural policy, the common fisheries policy, and so on. We have to restore government to the people of this country. That requires a referendum of a proper kind, which I will continue to insist on, and a sovereignty Bill that would ensure—I have a wording that would achieve this objective—that we have a template against which we can repatriate powers and force renegotiation within the European Union. That is our objective, and that is what we must achieve. It is in the national interest, and we must do it immediately.

4.55 pm

Mr. David Drew (Stroud) (Lab/Co-op): As always, it is a pleasure to follow the hon. Member for Stone (Mr. Cash). I did not vote in favour of entry into the so-called Common Market in 1975, and I was a loyal supporter of the Labour party in 1983, when I thought we had a rather good policy on Europe. Some of us have not changed our minds and will continue not to.

I shall be brief, because I know that other hon. Members want to get in. As always in such debates, we could say a lot more than we have time available to say it in. I shall start in the same vein as my hon. Friend the Member for Luton, North (Kelvin Hopkins) by being optimistic. Where Europe is at its best will be seen this weekend in our contribution to the Copenhagen debate. It is right and proper that we have a unified approach and put forward how the UK and the wider EU intend to reduce their dependence on carbon. I hope that we will not only talk the talk but walk the walk and make tangible proposals for how we can reduce our carbon dioxide emissions.

Mr. Francois: On that point, we all want a deal at Copenhagen.

In my speech earlier, I said in reference to a debate in the European Parliament that five socialist-aligned MEPs had voted against a motion. I have since double-checked that, and in fact they abstained. I therefore wish to take this opportunity to correct the record, and I hope that the hon. Gentleman will forgive me for intervening on him to do so.

Mr. Drew: I am pleased that the hon. Gentleman has corrected the record. I do not quite know how people can abstain on climate change, but there may be some wonderful explanation in due course.

Another area in which the EU has a credible record is international development. When we go out into the field, we see that there is greater co-operation between the nation states of Europe. I have sometimes criticised some of them for not paying the contribution that they should have done, particularly for provision in the country that I care most about, the Sudan. However, it makes sense that we have international relationships so that by pooling our budgets and expertise, we can make more of a contribution on the ground.

I turn to matters on which I am far less optimistic than my hon. Friend the Member for Luton, North. I shall be quite brutal about the non-referendums. The "cast-iron guarantee" of the Conservatives, which was nothing more than words, and what has happened with my own party and the Liberal Democrats, show why the British electorate have no faith in any of us when it comes to Europe. Each of our parties in turn has let them down. We promised them a referendum and have reneged on it. Anyone who thinks that that has been forgotten about forgets the European elections in May, in which the electorate gave us a kicking—particularly my party, whose policies and position on Europe are anything but credible. They will not forget it at the next general election. That is why some of us will not be standing on a platform other than to say, "It will not be a question of a referendum on Lisbon; it will be a question of a referendum on in or out."

Kelvin Hopkins: I agree entirely with my hon. Friend. We had a mini-referendum on the referendum in Luton, which was won by a massive majority. I spoke loudly in favour of a referendum with a loud hailer from the top deck of an open-top bus. We had a vote and there was a massive majority in favour of a referendum.

Mr. Drew: I am pleased to hear that. I ran a constitutional change survey in my constituency called "Up for debate", which was about a wide range of changes to link in with the work of the Select Committee on Reform of the House of Commons, chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright), of which I was pleased to be a member. It was interesting that about 70 per cent. of the people saw a need for referendums, and not necessarily only on European affairs. In the written text accompanying the poll, most people said that the fact they were denied a referendum on Lisbon made them feel more strongly that we should have referendums on a range of issues, particularly the EU.

I say this to those on both Front Benches: their credibility is lacking when it comes to the electorate, who will punish people who refuse to give a referendum because they want a say on the future of Europe. I do not know what the outcome will be, or whether people

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will vote to stay in the EU. The polling evidence shows, as my hon. Friend said, that more than anything, the younger the person is, the more sceptical they are. I am not surprised at that, because they feel completely divorced and detached from the European monopoly and an organisation that seems to be sucking in even more power, but has nothing in common with what they believe. We must test the water not only in the UK, but across the whole of the European superstate. People will become even more sceptical. That is why we must lead the way—not be in the following caravan—by giving people who want to stop increasing federalisation a genuine chance to express their opinions.

Mr. John Horam (Orpington) (Con): As a matter of elucidation, is the hon. Gentleman in favour of referendums in principle—on Europe as much as anything else—or is he just against the breaking of pledges on referendums?

Mr. Drew: I want a referendum because I want a fundamentally different Europe. The EU has evolved completely beyond what even the most sceptical and pessimistic of us envisaged at the beginning. I felt that the EU would eventually fail as an organisation and become a very loose confederation. Sadly, I have been proved wrong. As my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) said, those at the core who have driven the process forward have been such a tight-knit cabal and so clever that they have been able to manipulate the processes. They have left everyone else behind. The political parties have been sucked into it—more fool them, because we need to recognise that people outside feel detached and discontented with what is happening.

I chided my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on the decline of manufacturing, which is my second and final point. As I said, ownership matters, and we have seen the ownership of our great industries such as energy and water, and particularly our great manufacturing base, gradually drift abroad. We have ended up in the most ridiculous situation. Barely 11 per cent. of our gross domestic product comes from manufacturing, which is completely untenable and unacceptable. That must be reversed as a matter of urgency.

Mr. Cash: Just for the record, has the hon. Gentleman come across the extremely important work in which Roland Vaubel deals with that problem—in relation to not only manufacturing, but all legislation that affects employment and social law—and demonstrates that regulatory collusion exists? It is a very serious work by a professor of economics at Mannheim university. He demonstrates the manipulation of majority voting, which will be made worse by co-decision, as a result of which certain countries get their way by using the institutional system that the Minister so foolishly says is unimportant. That is how people serve their own interests.

Mr. Drew: I do know of that, but I would trace the problem back even further. Martin Wiener and Correlli Barnett trace it back to the 19th century, when finance was always able to outwit manufacturing. There is a connivance whereby the City of London has grown more powerful. It has done so not only in its own right, but because it has destroyed manufacturing. Any manufacturer in this country will be incandescent at their inability to derive flows of capital. The capital gets sucked up into housing, high finance and bank-rolling around the world at the expense of our manufacturing industry.

If we are serious about restoring that industry—and we have an opportunity to do so given the relative depreciation of the pound—we can only succeed if we go back to owning those assets nationally and deriving the ability to manufacture in our own right in this country. That would begin to raise the role of manufacturing in terms of its GDP percentage, and that should be one of our targets. I am not a great target setter—Governments tend to set all manner of targets and then cannot reach them—but we should aim to double the amount of manufacturing over the lifetime of the next two Parliaments. That is not much to ask, given that that is where we were in 1997. We probably will not get back in the next two decades what we lost in the last decade, and I realise how hard it will be, but that is what we have to do.

The anti-industrial culture that has been rife in this country for the last 100 years or more has to be taken on. I never worry when the City of London has its wings clipped or when high finance is curtailed and controlled, because it is at the root of the failings of the British political system. All that has happened is that the City of London has exported its power to the EU, which has been a willing co-conspirator in that regard, and British manufacturing has declined ever more quickly. We must face up to that problem, because otherwise we will rue the day that we failed to deal with it.

As always on these occasions, there seem to be more sceptical voices on the Labour Benches than voices in favour of the EU. That is because those of us who care passionately about Europe are still fighting our corner. We may not be in the majority at the moment, but stranger things have happened and parties have changed their mind.

Kelvin Hopkins: I sounded an optimistic note in my speech. Does my hon. Friend agree that if the Government were to change their position to our position, the great majority of Labour Members would switch sides without turning a hair?

Mr. Drew: I could not be so cynical. Points of view change as parties change, and I just hope that the argument will be had, as all too often it is shut down. The issue that will bring this to a head will be the argument about public expenditure cuts. Those of us who feel strongly that making such cuts is entirely the wrong way to go about restoring the British economy to strength will argue the case that it is our obsession with Europe, and ideas such as Maastricht and the setting of targets for borrowing requirements, that are handcuffing our future. That is what will lead the Labour party to rethink its approach to Europe. It will be impossible to stand on a platform that argues for drastic cuts in public spending. The only way to square the circle is to consider other ways to save money, and we could start by saving money on our contribution to the EU, as that is unnecessary, undesirable and counter-productive. We will have to rethink our position, and that will provide opportunities for other nations in Europe to rethink their position. I will predict the future: my party will take a new position

for those reasons, to which I say, "Jolly good, bring it on." Sadly, it may be after the next general election, but some of us will still be here to argue the case for a new approach. It is about time.

5.9 pm

Mr. Mark Harper (Forest of Dean) (Con): I want to make a brief contribution.

I would like to draw the Minister's attention to my earlier questions, two of which he failed to answer, but to which I hope he will return in his winding-up speech. The first was about why the Government chose not to fulfil their manifesto promise to give the British people a referendum on the Lisbon treaty. They, along with the other major parties in the House, promised to do that. He failed to answer that with his unfortunate humorous remarks.

Furthermore, will the Minister answer my question about the Prime Minister trumpeting the fact that Baroness Ashton is a Briton and that her promotion to High Representative will give Britain a voice in the European Council and Commission? To be fair, the Minister has not done that. In fact, he and the hon. Member for East Dunbartonshire (Jo Swinson) accurately pointed out that Baroness Ashton will of course represent the Commission, not Britain. He was honest enough to say that, but the Prime Minister has not been putting it in quite the same way. It would be helpful if the Minister cast his opinion on that when he winds up.

My main point—I have a couple of subsidiary ones—draws attention to something that another Member has referred to already. The title of the debate is "European Affairs", but in such debates we tend to launch immediately into EU matters, forgetting that there are other countries in Europe. We also then become very introspective and focus only on our future in Europe.

Conservative Members are often criticised by Labour Members—this is one of their favourite lines—for being little Englanders or, as I heard earlier in this debate, for not liking Europe because it has foreigners in it. My problem is that Europe is not foreign enough! It constitutes a very small part of the world's population and will increasingly represent a smaller share of the world's economy. My problem is that, if we spend too much time focusing on our economic performance relative to other members of the EU, we will lose sight of the fact that we must compete, win business and capture markets in the rest of the rapidly growing world. If our businesses and future prosperity are to be assured, we need to keep an eye on the rest of the world and not obsess about our position in the EU. That is something the Government often forget to do.

I see now from looking at my notes that it was the hon. Member for Birmingham, Edgbaston (Ms Stuart) who mentioned foreigners, while talking about my hon. Friend the Member for Ribble Valley (Mr. Evans). As I said, my argument is that Europe is not foreign enough.

One reason why we should consider our position from a global perspective is that our interests are not always aligned and we are often in competition with other parts of the EU. One need only look at our trade arrangements. If we look at the countries to which we export our goods, we see that our single largest trading partner is the United States of America. If we look through the trading figures of our largest European neighbours, we see that they trade with the United States to a much lesser degree and that much more of their trade is with other EU countries, so there is a significant difference there. Sometimes our interests are not aligned with our colleagues'.

Owing to our history and other relationships in the world, we have many other forums in which to argue our case—for example, the Commonwealth. The Heads of Government meeting took place recently, which the Government made much of and trumpeted. That is rare for them because they often pretend that the Commonwealth does not exist. However, that is one forum in which our place in the world can be argued. Given the size of the Commonwealth, the number of people it contains and its possible significance in dealing with climate change—it contains India—it might be a more significant place than the EU in which to argue some of these matters, and it is certainly as important as the EU.

When thinking about our interests and place in the world, we must not focus only on the EU; we must take a wider, more global view. The trends over the next few years are very interesting. The European Commission's research department has prepared an interesting document called "The World in 2025: Rising Asia and Socio-ecological Transition"—not a terribly catchy title, I admit. However, some of its statistics are very interesting:

> "In 2025, the population of the European Union will only account for 6.5 % of the world population."

The population will be much older than that elsewhere, as well.

The document also says:

> "In 2025 world production will almost have doubled (in relation to 2005). The USA-EU-Japan triad will no longer dominate the world",

although it points out that the United States will preserve its economic leadership. One or two colleagues referred to a united states of Europe and those who are trying to create a federal state, with a President of the European Council, a Foreign Minister and other pretensions to being a single country. However, if they are trying to model that on the United States of America, the bit they are missing is the United States' economic dynamism and fast economic growth. Even in 2025, the United States will still be the largest economy in the world and still have a high per capita income. That part of the United States' record is the one we want to emulate, rather than trying to turn the countries in the European Union into a united states of Europe.

The Commission's report makes it clear that

> "The centre of gravity of world production will move towards Asia. The group made up of China-India-Korea will weigh as much as the European Union."

As I have said, we have relations with our Commonwealth partners, and particularly close relations with India. We should be ensuring that British firms and businesses are in there winning orders from Indian consumers and businesses, to ensure that we get our fair share. As the report says, India may be

> "the sixth economic power of the world"

by 2025, ahead of Italy and only a little behind France. We need to ensure that we get our fair share of that business, but I am concerned that we will miss out.

[Mr. Mark Harper]

In my earlier remarks I touched on the settlement of the top jobs at the European summit the other week. I have already mentioned what the European High Representative is going to get paid, but the President of the European Council will earn £320,000, making him the highest paid leader, if that is the word—he is slightly more of a chairman than a chief. He will earn more than any leader of a western country, with a huge staff and a significant number of press officers to get the message out there, and will have a £5 million reserve fund to dip into as his job develops.

Interestingly, the hon. Member for Luton, North (Kelvin Hopkins) suggested that it was welcome that Mr. Van Rompuy had been elected as the President of the European Council because he will just be taking instructions from everybody else. However, that is not what French President Nicholas Sarkozy said. He said he had known Mr. Van Rompuy for many years, adding:

"talk to those who know him well...and you'll see. I'm going to tell you something: I think he's one of the strongest personalities around the Council table."

That is quite worrying when we think, to take just one example, about what the hon. Gentleman said about Mr. Van Rompuy's views about Turkey. As one or two others have said, we are strongly in favour, as are the Government, rightly, of Turkish accession to the European Union, both from a strategic and military perspective—Turkey is a strong and close NATO ally—and, as the Minister correctly said, from the point of view of energy security.

Mr. Evans: On my hon. Friend's point about how much Commissioners and those in the new positions earn, does he agree that, as one of the largest net contributors to the European Union, we should be directly involved, rather than allowing such obscene salary levels to be set? Does he also agree that it would have a positive effect on all the costs of those bureaucracies if they had the same transparency that we have here in the United Kingdom, and which I welcome? If we knew exactly how their expenses were spent, that would have a positive effect on grinding them down.

Mr. Harper: My hon. Friend makes a good point. If the British people knew more about how the European Commission works and how much some of those people get paid, and about the extent of their unaccountability, that could only be healthy. The more information that gets published, the better, so some kind of freedom of information process for the Commission would be welcome.

Another aspect I wish to raise is the European Commission's involvement in policy making in our country. There are many areas in which it has a formal decision-making process. One issue that recently came to light, and which I am not very happy about, is that the European Commission has started giving opinions on, and interfering in debates in this House about, the passage of legislation, when frankly it ought to mind its own business. On 20 November, the Commission issued a press release referring to the reasoned opinion it had sent to the United Kingdom for, in its opinion,

"incorrectly implementing EU rules prohibiting discrimination".

The press release said:

"We call on the UK Government to make the necessary changes to its anti-discrimination legislation as soon as possible so as to fully comply with the EU rules",

despite the fact that that was just an opinion, not a ruling of the European Court of Justice. It continued:

"In this context, we welcome the proposed Equality Bill and hope that it will come into force quickly."

Frankly, Mr. Deputy Speaker, I do not think it appropriate for the European Commission to pick out particular pieces of legislation before this House, which are subject to our parliamentary scrutiny, to express any opinions on them or to interfere in the democratic process. That is quite inappropriate.

The lack of transparency concerning relations with the EU was also picked up on. In the debate on the Equality Bill, the Solicitor-General told Parliament that the Bill would not change the law relating to the exemption for religious organisations in respect of particular types of job. That is very interesting, because we have now obtained a reasoned opinion from the European Commission, which was not originally made available by the Government Equalities Office to organisations that requested it on the ground that it was confidential. Paragraph 19 of reasoned opinion No. 226 states:

"The UK Government has informed the Commission that the new Equality Bill currently under discussion before the UK Parliament will amend this aspect of the law and bring UK law into line with the Directive."

It seems clear to me from the European Commission's interpretation that the Government are indeed changing the law in this respect—I shall not go into it in great detail because we did that when we debated the Equality Bill—but that is not what British Ministers are telling hon. Members. It worries me that Ministers are providing answers to the House that are not compatible with what they are telling the European Commission. I have written to the Solicitor-General, who, having had that incompatibility drawn to her attention, will I hope either correct the record in the House or make sure that a letter quickly wings its way to the European Commission to put it straight. We cannot have the European Commission being misled about the British Government's views, or this House being given information that is not strictly accurate.

My next point is about exportable benefits. The Minister for Europe will know that certain benefits are payable to citizens who move and live elsewhere in the EU or in the European economic area. He will also know that in December 2007, the European Court of Justice ruled that for the purposes of European Law, three benefits—the care component of the disability living allowance, attendance allowance and carer's allowance—were incorrectly classified as special non-contributory benefits. The judgment said that they were exportable in certain circumstances within the European economic area and Switzerland.

That may sound an awfully long time ago—nearly two years—but unfortunately it took the Government until 24 February this year to notify Parliament that they had finally considered the full terms of the judgment and were going to put it into effect. I mention that because according to the last count, there are some 1,000 British citizens living in other EEA states and Switzerland who, because they are claiming attendance allowance or disability living allowance, are by definition either elderly, disabled or both, yet they are still waiting to receive the money to which they are entitled.

The Government have dragged their feet on this issue for a considerable time. Given that many of these people are elderly, by the time the Government get round to meeting their legal obligations, some of them may well have died and missed out on what is theirs by right. Many of them have paid tax in this country for many years and are entitled to these benefits. It would be helpful if the Minister told us how far advanced the Government are in paying out to those 1,000 or so outstanding cases, and whether they are going to fulfil their obligations under European treaties more swiftly.

Let me finally reiterate an important point. I always get worried in European debates—I sat through all the debates on the Lisbon treaty—because of how introspective we sometimes become, focusing on the European Union to the exclusion of the rest of the world. I believe passionately that Britain's history is global. We have 5 million British citizens living and working in countries around the world. We probably have more of a global economic interest than any other country. We need an outward-looking, engaged foreign policy involving a range of forums. We must not make the mistake of focusing solely on the European Union.

I believe we have learnt the lesson that, if we are fortunate enough to become the Government, we can play our part in the European Union; but we should not do so to the exclusion of our proper role in all the other forums in the world, such as the Commonwealth and the United Nations Security Council, where we have a permanent seat. That is a lesson the Government would do well to learn.

5.25 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow my hon. Friend the Member for Forest of Dean (Mr. Harper), who yet again has shown himself to be a serious politician who introduces to debates subjects that have not been raised earlier.

We have been lucky enough to have on our Front Benches today some of the most important politicians in this Parliament: the rising stars of this Parliament. We have, of course, the dynamic duo on the Conservative Front Bench, and on the Labour Front Bench we have the Minister for Europe, who, I understand, now likes to be called Cardinal Richelieu. If I am one of the three musketeers, he is the evil one. On the Liberal Democrat Front Bench we have the hon. Member for East Dunbartonshire (Jo Swinson). I do not think that she will have a chance to speak today, but I am sure that she would always defend to the hilt whatever Liberal Democrat policy on Europe happened to be on that particular day.

Let me now make a serious point, as one who is pro-European but anti-EU. We have spoken today of the number of service personnel in Afghanistan. I have a personal interest in that. It seems wrong that some of our European partners are not committed enough to the war in Afghanistan—although others are committing their troops alongside ours and those of the Americans, and they are suffering frightful casualties. It is, I believe, also the Government's position that some of our colleagues in the European Union are not doing enough. I do not know how the Government will deal with the problem. I know that they are at the heart of Europe, and I know that they have a great deal of power in Europe, but they do not seem to be entirely successful in that particular regard.

Let me return to the stars on the Front Benches. There is a clear divide between them. On the Government Front Bench sits someone who really believes in the European Union, and really believes in a federal state. No—I should say "one state", a European state. I apologise for calling it a federal state. What the Minister believes in is one state called Europe. On our side is someone else who believes equally strongly in a Europe of nation states—someone who opposes the Lisbon treaty, and who actually speaks for the British people. That leads me rather nicely to my right hon. Friend the Leader of the Opposition, who has been consistent on Europe and has spoken for the British people. *[Laughter.]* Labour Members laugh because they do not understand what consistency means.

Let us go back a little in history. Why not? No one is listening today. There is no one up in the Galleries, and even the Whip has put down his pen. We can be honest, and the Government can be honest, about the situation. The only reason why they were elected at the 2005 general election is that they did two clever things. Their spin department—their polls—told them that the people wanted a say on Europe. The other thing that their polls told them was that people were scared stiff of Gordon Brown. So what we got was a promise that Tony Blair would serve a full term. Labour went back on that—there was no consistency there—and of course, when it came to the promise of a referendum on a European constitution, they went back on that as well. That is why they are in so much trouble. This is not about the actual issue; it is about lack of faith—about their lack of consistency. We just cannot believe them any longer.

By way of contrast, let us turn to the new leader of the Conservative party. When I was considering who to vote for in the leadership election, I asked one of the candidates, who is now the leader of the party, "Are we going to pull out of the European People's party, as we can't have Conservatives sitting in the European Parliament who are federalists?" He replied, "Yes, we will." People said that would not happen, but he has delivered on it. He also said we would have a referendum on the Lisbon treaty if it had not been ratified first. He was absolutely truthful about that, too.

Anyone who believes that the leader of my party—or, for that matter, the shadow Foreign Secretary, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague)—did not want to have that referendum is living in cloud cuckoo land. The first thing our new Foreign Secretary would have done would have been to go to Europe and get the articles of ratification back, and we would have had that referendum within six weeks. The fact is, of course, that that cannot now happen. Our policy for the current circumstance of the Lisbon treaty having been ratified was that we would not let matters rest, and within 24 hours we knew where we were going, which was to have this new, exciting, forward-looking Conservative party policy, which will win us so many votes.

When my right hon. Friend the Member for Witney (Mr. Cameron) becomes Prime Minister, as I sincerely believe he will, he will be the most Eurosceptic leader of our country since Mrs. Thatcher. He will be more Eurosceptic than the current Prime Minister and Tony Blair—or John Major, for that matter—and he will do something that none of those Prime Ministers attempted, which has never been done before: he will get powers

[Mr. Peter Bone]

back from Europe. *[Interruption.]* Labour Members say that it cannot be done, but it can if we follow the reverse salami-slicing principle. If we try to eat a whole salami sausage in one go, we spit it out in disgust, but if we eat it slice by slice, it is okay and we can put up with it. That is how the European Union has taken so much more power over the past 25 or 30 years. We have never been asked if we want to give up any of those powers, but, slice by slice, it has taken them away.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): As all this slicing is going on, how does the hon. Gentleman slice the opinions of the right hon. and learned Member for Rushcliffe (Mr. Clarke)? He has been pretty consistent. Does he not have a voice in the modern Conservative party? Where have all the pro-European liberal Tories gone? Is that species now extinct?

Mr. Bone: I am grateful to the hon. Gentleman for popping in; I have not seen him for the last few hours.

Mr. Sheerman: I was watching the debate on television.

Mr. Bone: The hon. Gentleman was watching it on television, was he? That's all right then.

One of the great things about the Conservative party under the leadership of my right hon. Friend the Member for Witney is that there is a wide variety of views, but the policy is settled and we all know where we are going. I am not criticised for saying that we should come out of this rotten thing called the European Union; I am not hauled into the Whips Office for saying that, but I know that our policy at the next general election will be to bring back power to this country, and that the reverse salami-slicing principle works. If we start bringing power back—if the EU will let power come back—slice by slice, we will bring more and more power back to this country.

Mr. Evans: We are the largest net contributor to the European Union. Does my hon. Friend agree that he who pays the piper should choose the tune, and that we therefore have a lot of clout, because we pay billions of pounds as a net contribution to the EU?

Mr. Bone: I am grateful to my hon. Friend for raising that issue, and I shall address it later. For now, however, I want to return to the point about reverse salami slicing, which will bring power back to this country.

We know that no more power can go, because the Conservatives will promise a referendum on any future transfer of power. We now have a ridiculous situation, with this Government, in their last few months, still saying, unbelievably, that this country should go into the euro. Why can the Minister for Europe not say that that policy is redundant—largely, of course, thanks to the campaigning all those years ago by my right hon. Friend the Member for Richmond, Yorks? The Government are to go into the next general election saying when those mythical conditions are met they will go into the euro—but the fact that we have not been in the euro has kept this recession from being worse than it is. In Wellingborough, double the number of people are unemployed now than when Labour came to power, but the situation would have been much worse if we had been in the euro.

Jo Swinson (East Dunbartonshire) (LD): Will the hon. Gentleman give way?

Mr. Bone: I am delighted to let the hon. Lady have a word.

Jo Swinson: I am listening with great interest to what the hon. Gentleman is saying. He is slightly contradicting the right hon. Member for Witney (Mr. Cameron), who at yesterday's Prime Minister's questions seemed to spend most of the time pointing out that Britain was lagging behind many countries that are members of the euro in coming out of the recession. How does the hon. Gentleman square that with what he has been saying?

Mr. Bone: I am sorry that the hon. Lady was not here earlier, because some of these points were made by earlier contributors. The value of the pound against the euro has decreased, and because we are not in the euro we have been able to make our products more accessible and cheaper. The economy is in a terrible mess, and the Government did not abolish boom and bust—most people, even the Liberal Democrats, realise that—but it would all have been far, far worse if we had been in the euro.

I wish to return to the subject on which my hon. Friend the Member for Ribble Valley (Mr. Evans) intervened on me: the very important point about cost. I am not going to talk about the gross numbers of tens of billions of pounds that we pay in gross taxes to the European Union—but they are unbelievable. We do get some of that back, although first the money goes through the European Union, and it can decide whether we get it in the end. The whole thing is a complete farce, and of course the hon. Member for Luton, North (Kelvin Hopkins) was right to say that we should decide on that and it should not go through the European Union. Even after that, there is a net cost. We are part of the customs union, but there is a net cost to it, which unbelievably—I am sure that you will find this hard to believe, Mr. Deputy Speaker—was £2.5 billion last year. Next year that cost will be either £6.4 billion or £7.2 billion, depending on which Government figures one believes. That means an increase of at least £4 billion.

We talk of a time when we shall have to cut public expenditure. We know that we have a great deal more interest to pay on the huge debt that the Government are racking up and we know, unfortunately, that many more people are out of work so that more money has to be spent on unemployment. But why on earth do we have to pay an additional £4 billion to belong to this club, which most of the people in this country do not even want to belong to in the first place?

Mr. Cash: Is my hon. Friend aware that according to the papers recently supplied to the European Scrutiny Committee, the total draft budget for 2010 is £340 billion? As our net contribution is £6 billion, and given the amount that Europe is demanding by way of an increase, no wonder we are now having to contribute more and more. It does not even work. This is completely mad.

Mr. Bone: I could not agree more with my hon. Friend, especially with his last remark—that the European Union is completely mad. Nobody, realistically, would go into this Union now, knowing what we know—but we are where we are. At the next election my party will campaign to get powers back and to have a sovereignty Act so that the courts will interpret Acts of this House—of this Parliament—as ranking above the measures of the European Union. Those are huge pluses for the British people.

In conclusion, as it would be unfair not to let those on the Front Benches have their say—indeed, I want to hear them—it would be wrong of me not to congratulate Labour Members on their contribution today. If I were Prime Minister, I would have the hon. Members for Luton, North, for Birmingham, Edgbaston (Ms Stuart) and for Great Grimsby (Mr. Mitchell) in my Government, as well as the hon. Member for Stroud (Mr. Drew). I would remove the Minister for Europe. I am sure that he could find a role as—I do not know: Culture Minister, perhaps. I have not quite decided which one of those other Members should be Minister for Europe, but, as I am chivalrous, I think that it should be the hon. Member for Birmingham, Edgbaston.

5.40 pm

Mr. David Lidington (Aylesbury) (Con): I am sure that the whole House is impatient to see the Cabinet photograph for the first Administration of my hon. Friend the Member for Wellingborough (Mr. Bone).

What has been most striking about this debate—I am grateful to all Members from all parties who have taken part—was the degree of consensus that we saw emerging. It was perhaps unexpected, particularly for the Minister. We heard the hon. Member for Great Grimsby (Mr. Mitchell) remind us of the need to see the European Union as it is, and not through some kind of romantic haze as the institution that we might wish it to be. The hon. Member for Luton, North (Kelvin Hopkins) argued for the need to repatriate powers from a European to a national level. The hon. Member for Birmingham, Edgbaston (Ms Stuart) spoke of how powers had been steadily accumulated at a supranational level without the consent of the people being sought, let alone given. Far from my party being the one left marginalised or isolated, as the Minister charged, it was the Minister who found himself increasingly in that position as the debate continued. The only wholehearted, enthusiastic support for his speech came from the Potemkin opposition on the Liberal Democrat Benches.

The truth is that the official Opposition see the European Union as an important means to advance the interests of the United Kingdom. It is in our national interest that the EU should work well, and that means that we want it to focus on those issues that matter most to the peoples of Europe and for it to function in a way that is much more accountable so that public support for membership can be genuine rather than grudging or resentful, as is too often the case, and not merely in the UK.

As my hon. Friend the Member for Forest of Dean (Mr. Harper), in particular, pointed out, that means we need the European Union to focus on the challenge of the global economy and the fact that Europe's relative position in the world economy is slipping backwards. If we are not careful, its absolute position in the world economy might also slip as new economic powers in Asia and Latin America gather strength.

Mr. Cash: Will my hon. Friend give way?

Mr. Lidington: My hon. Friend will have to forgive me; I will not give way, as the time is very short.

We also want to see the Union strengthening further the single market and not relaxing into the protectionism that some of us fear following the recent appointments to the Commission. We want the European Union to focus on the challenges of global poverty and climate change. We also want the Union to be much more accountable than it is now.

The hon. Member for Linlithgow and East Falkirk (Michael Connarty) was right to talk about the need for better, more rigorous parliamentary scrutiny. I am sure that he will have been delighted by the Conservative party's proposals in that regard. It is also right, as a number of hon. Members on both sides of the House have argued, that Parliament should debate European Union issues more frequently and in a more timely fashion. I thought that the hon. Member for Birmingham, Edgbaston was right to talk about the serious implications of the creation of the European External Action Service, and I hope that when the Minister responds he will pledge on behalf of the Government that they will allow proper time for Parliament to examine and debate the implications of that reform.

The hon. Member for Kingston and Surbiton (Mr. Davey) asked specifically about Conservative policy on the referendum. I assure the hon. Member for East Dunbartonshire (Jo Swinson), who is now representing him on the Front Bench, that the Conservative party has a very clear policy on the referendum, which will appear in our manifesto. Given what the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) has said in recent days, the same cannot be said of the Liberal Democrat party. We are saying that any treaty that proposes the transfer of further competences to the European Union from the national level should not be ratified by the United Kingdom unless it is confirmed by the British people in a referendum. We would apply that rule to any proposal from a future Government that Britain should join the euro.

The other issue that troubled the hon. Member for Kingston and Surbiton, on which he sought to tease my hon. Friend the Member for Rayleigh (Mr. Francois), was the European arrest warrant. I must ask the hon. Lady to go back to the hon. Gentleman with a reading list. If she had been speaking on behalf of her party, she might not have made the same error, but it was none other than the hon. Member for Eastleigh (Chris Huhne), the Liberal Democrats' official spokesman on home affairs, who wrote on 4 October 2008 that the European arrest warrant was

"rushed through without proper thought as a knee-jerk reaction to terrorist offences."

Not only the hon. Gentleman, but Lord Burnett and Baroness Ludford, MEP, have called for the European arrest warrant to be looked at again, and for the laws concerning it to be changed. The reason why my party is worried about the warrant is that it puts citizens of this country at risk of facing trial for actions that are not criminal under the laws of the United Kingdom. It also risks the extradition of United Kingdom citizens,

[Mr. Lidington]

without prima facie evidence being demonstrated to a British court, to jurisdictions where they might face trial for offences that are not related to terrorism or to the very serious offences to which the Minister referred. That situation could lead to British citizens, for whom a prima facie case has never been presented before a court, facing considerable periods of detention without trial in jurisdictions that do not have the same traditions of habeas corpus or bail that we have here. I must say to the hon. Lady that there was once a time when people who described themselves as liberals would have stood up for the liberties and freedoms enjoyed by British citizens, and would not have sought to restrict them in the way that her colleague did today.

The Minister took us through the agenda of the forthcoming European Council, but he focused much of his time on chiding my party about our allies in the European Parliament. I thought that my hon. Friend comprehensively demolished the Minister's case in his excellent speech, so I shall leave the Minister with just one thought on the subject. In the European Parliament, Conservative MEPs sit alongside Polish MEPs who were active in dissident movements and were imprisoned by the former regime for that activity, whereas Labour party MEPs sit alongside Polish MEPs who were active members of the Polish Communist party that was responsible for imprisoning those who sit with my colleagues in the European Parliament.

I understand the Minister's reluctance to celebrate his Government's vision for the future of Europe, because it has become clear in the past few days that for all their claims of influence, we have seen a massive defeat for United Kingdom diplomacy. The Conservatives wish Baroness Ashton well, but the fact that no major economic portfolio in the Commission is now held by a Briton rightly causes us serious concern.

We could see how uncomfortable the Government were over this matter by the way that their story kept changing. First of all, the media were briefed about the Prime Minister's epic battle to stop Monsieur Barnier getting the job of Internal Market Commissioner at all. Then the line was "adjusted", as the Business Secretary might have put it, to say that, even if Monsieur Barnier were appointed, financial services would be removed from his portfolio. Now, in the aftermath of utter defeat, the Government are trying to pretend that everything is okay and there is nothing to worry about. If we are to believe the Minister, Monsieur Barnier has probably forgotten altogether that he was ever French.

However, that was not the view of the President of the Republic of France, whose words have been referred to by a number of colleagues. Frankly, it is difficult to see how the President of the Republic, short of climbing personally up the steps of Notre Dame to ring a celebratory peal, could have celebrated more conspicuously the appointment of Monsieur Barnier as a decisive triumph for France and for French interest in Europe.

The truth is that this Government like to boast about their influence in Europe. We need Britain to maximise its influence in Europe, but we should measure that not by the number of times that the Government meekly assent to things proposed by others, but by whether European decisions advance our country's interests. For that to happen, however, we need a change of approach, and a change of Government.

5.51 pm

Chris Bryant: With permission, Mr. Deputy Speaker, I should like to respond to the debate. I had hoped to be able to commend the hon. Member for Aylesbury (Mr. Lidington) on his speech, because I am a friend of his and we often train at the same time in the gym. However, I think that he has been sitting too close to the hon. Member for Rayleigh (Mr. Francois) and that he has caught some of his infections. It is as though a rising damp has slowly taken hold of his brain.

We have seen the sad obsessions of the Conservative party this afternoon. The Opposition's opening and closing speeches were both completely obsessed with tittle-tattle and gossip dressed up as political arguments. They are obsessed with talking about treaty making, which is something that countries in the rest of Europe have decided is not worth spending time on because they want to move forward on the things that really matter to ordinary families, such as jobs and economic prosperity. However, the hon. Member for Rayleigh did make two serious points, on Cyprus and Iran, and I agree with him on both.

My hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), the Chair of the European Scrutiny Committee, is not now in the Chamber. He asked whether it was right for us to have moved so swiftly on the timetable for the accession of Bulgaria and Romania to the EU. It is pretty well universally accepted that we should have been much stricter in enforcing the various different chapters. Indeed, an additional chapter has now been added, and that is important for the accession talks with Turkey and Croatia.

My hon. Friend also asked a specific question about the Standing Orders that affect his Committee. He wants them changed to allow both legislative and non-legislative measures to go to the Committee on exactly the same basis. I do not think that that is possible, however, as it would make it very difficult for the Government to fulfil their required representational role in Europe.

The hon. Member for Kingston and Surbiton (Mr. Davey) supported the appointment of Monsieur Barnier as Internal Market Commissioner, as do I. He, too, referred to Cyprus and Iran, but he also talked about Bosnia, which is one of the matters on which we could have had more debate.

The situation in Bosnia is very worrying. Although the military task is over, it does not mean that all the troops there should be drawn down. It remains important to maintain security and to complete the transition of the Office of the High Representative at the same time as we change the configuration of the military presence there.

My right hon. Friend the Member for Leicester, East (Keith Vaz) is not in his seat either—my friends seem to have abandoned me!—but he was very nice about me and I was going to be very nice about him in return. He raised the important matter of Sri Lanka, which I do not think will be debated at next week's European Council meeting. We agree wholeheartedly that although there have been significant changes in recent months and the number of people allowed to leave the camps and return to their homes has increased, there is none the less a serious humanitarian issue in Sri Lanka that needs to be addressed. We believe that a robust European Union position is important.

The hon. Member for North-East Cambridgeshire (Mr. Moss) raised several things. He mentioned the EU auditors and the UK's net contribution to the European Union. As I am sure he will know, the level of UK contribution varies each year according to several different elements, including our rate of economic growth relative to those of other member states, the value of the abatement, the pound-euro exchange rate, the size of the in-year EC budget and the level of our receipts from that budget. It is a fairly complex set of figures.

I agree with him completely on the common agricultural policy. I do not agree with my hon. Friend the Member for Luton, North (Kelvin Hopkins) that it should be completely abolished. If there were no common policy, there would simply be a French agricultural policy, an Italian one, a German one, a Spanish one and so on, which would be considerably worse. However, I do believe that the CAP should be significantly reformed. We would like CAP pillar 1 to be phased out, which we believe would also help less prosperous member states grow their economies in line with the Lisbon strategy.

I hope that I am not breaking a confidence by saying that my hon. Friend the Member for Great Grimsby (Mr. Mitchell) said outside the Chamber that I had made a wonderful speech.

Mr. Austin Mitchell: It was inside.

Chris Bryant: It did not feel as if he was saying it inside. It was couched in so much irony—

Mr. Mitchell *rose—*

Chris Bryant: If my hon. Friend does not mind, I will not give way to him, unless it is to compliment me—*[Interruption.]* Oh, all right.

Mr. Mitchell: I said that it was a shame that such great ability and eloquence were not deployed in a better cause.

Chris Bryant: As I said, my hon. Friend's opinion was so couched in irony and sarcasm that it somehow ended up sounding like exactly the opposite.

The hon. Member for Ribble Valley (Mr. Evans), who has changed his seat but is none the less still here, referred to burden sharing in Afghanistan. We believe that that is important. We were pleased with the discussions at the October Council meeting and its conclusions, which made it clear that all member states must step up to the mark in terms of national caveats, number of troops and where they are prepared to engage. He is absolutely right that we need to make an effort, and not just within the European Union. I am sure that there will be further discussion, whether in the margins or during the meeting next week.

My hon. Friend the Member for Luton, North said that he believed in a pragmatic approach to Europe. I agree completely and utterly. His, however, is the theological approach, and I disagree with his analysis of what he always refers to as a neo-liberal model of economics. I remember him sitting next to me on many occasions and confidently predicting that the Germans would leave the euro within two years, but that does not seem to have happened.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) made one of the most thoughtful contributions. I am not damning him with faint praise; it was a good speech, to which he obviously brought a lot of his experience of the European Union. As somebody who has worked for the BBC in Brussels and with the European Parliament to try to ensure that it produces policies that are good for Britain, I know something about how the Parliament works. He is completely wrong about the Conservative grouping in the European Parliament. In my experience, many members of the European People's Party are actively vindictive towards the European Conservatives and Reformists because they are angry at how the hon. Gentleman's party political leader has advanced their cause over the past couple of years. When he says that it is great that the Canada and Iraq groups are chaired by a Tory, he is clutching at straws.

The hon. Gentleman used a phrase that I think some countries in the east find offensive by saying that they were suddenly frightened of being dominated by Brussels as they were dominated by Moscow. They take great exception when some Conservatives use that line. However, I agree completely about the caravanserai to Strasbourg. I only wish that his party was prepared to accept qualified majority voting on the issue so that we could get rid of the present ludicrous situation.

I hope that I can answer the questions raised by my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart). She is right about the passerelle clause. I do not think that it makes any difference whether Parliament votes after a one-and-a-half-hour debate or passes a piece of primary legislation. The point is that Parliament should take a view. She asked about the rules of procedure, and I want to correct her on one point: the Council of Ministers was an institution before the Lisbon treaty came into force; it is the European Council that now becomes an institution. *[Interruption.]* Well, as she knows, they are two different bodies.

I think that all—

6 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

REGIONAL SELECT COMMITTEE (LONDON)

Motion made,

That Ms Karen Buck, Jeremy Corbyn, Clive Efford, Siobhain McDonagh and Mr Andy Slaughter be members of the London Regional Select Committee.—*(Mr. Frank Roy.)*

Hon. Members: Object.

SITTINGS OF THE HOUSE

Motion made,

That—

(1) Standing Order No. 14 (Arrangement of public business) shall have effect for this Session with the following modifications, namely:

In paragraph (4) the word 'eight' shall be substituted for the word 'thirteen' in line 42 and in paragraph (5) the word 'fifth' shall be substituted for the word 'eighth' in line 44;

(2) Standing Order No. 90 (Second reading committees) shall have effect for this Session with the following modification, namely:

In paragraph (2) the word 'fifth' shall be substituted for the word 'eighth' in line 21; and

(3) Private Members' Bills shall have precedence over Government business on 29 January; 5 and 26 February; 5 and 12 March; 23 and 30 April; and 7 May.—*(Mr. Frank Roy.)*

Hon. Members: Object.

PETITION

Badman Report (West Chelmsford)

6.1 pm

Mr. Simon Burns (West Chelmsford) (Con): I wish to present a petition to the House, organised by one of my constituents, Ms Louise Thorn, and signed by a number of persons in the West Chelmsford parliamentary constituency.

The petition states:

The Petition of persons resident in the West Chelmsford parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, proposed legislative measures providing for tighter registration and monitoring of children educated at home in the absence of a thorough independent inquiry into the condition and future of elective home education in England; but instead to take the steps necessary to ensure that the existing Elective Home Education Guidelines for Local Authorities are properly implemented, learning from current best practice, in all local authorities in England.

And the Petitioners remain, etc.

[P000440]

Give and Let Live Programme

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Frank Roy.)*

6.2 pm

Mr. Philip Hollobone (Kettering) (Con): I thank Mr. Speaker for allowing me to speak on this topic in the Adjournment debate tonight, and I welcome the Minister from the Department of Health to her place. I declare an interest as a trustee of the Jeanette Crizzle Trust, which will feature regularly in tonight's debate.

The executive summary of my remarks is that the NHS Blood and Transplant's Give and Let Live donor education programme is a wonderful scheme, and I praise the Government for introducing it. The problem is that only 7 per cent. of schools are involved in it, and I urge the Government to do far more to promote the scheme among schools.

The longer version of my speech now follows. The Jeanette Crizzle Trust is a research organisation that has been set up to measure the success of that education programme and to establish the degree of public awareness of blood, organ, bone marrow and tissue donation. It aims to achieve those ends by conducting a series of research projects that are likely to take place over many years, including independent tracking research. The trust's aim is not to promote blood, tissue, bone marrow and organ donation itself, but to monitor the success of the Government's Give and Let Live donor education programme.

That all started in October 2005, when Mrs. Jeanette Crizzle, who was a resident of Kettering, was very sadly diagnosed with acute myeloid leukaemia. This was obviously very tragic news for her and her wonderful family: her husband Adam and her two teenage children, Emily and Nicholas. Jeanette was an English teacher at Bedford preparatory school, and she had been in the teaching profession for the best part of 30 years. In the fight to combat her condition, there was a desperate need to find a suitable donor who would enable her to undergo a bone marrow transplant. The complication in Jeanette's case was that she came from a mixed Mediterranean and English background; her mother was Greek and her father was half Italian and half English, so Jeanette was 75 per cent. Mediterranean and 25 per cent. English. It was extremely difficult to find a suitable bone marrow donor to match her heritage; in fact, it proved impossible. Very sadly, Jeanette died in October 2006.

When the Crizzle family were advised in January 2006 that it was unlikely that a suitable bone marrow donor would be found, Jeanette's husband Adam decided to give up his job, not only to care for her but to launch an international campaign to try to find a suitable donor. He started with e-mails and internet activity among his friends and acquaintances. Bedford preparatory school, where Jeanette worked, swung in behind the campaign and mobile clinics were established in Bedford, Kettering and elsewhere to try to encourage people of Mediterranean origin to become bone marrow donors. An extensive media campaign was launched and achieved terrific coverage not only in the regional media but further afield. Initiatives included publicity on London Greek Radio and attempts to tap into communities in Greece, Italy, the United States and Australia, all in a

desperate search for a suitable donor. It was a remarkable effort, reflecting Adam's positive philosophy about the dilemma in which he and his family found themselves.

The highlight of the campaign was a meeting at the Department of Health with the right hon. Member for Doncaster, Central (Ms Winterton), then a Health Minister, in April 2006. At that meeting, Adam presented a report to the Minister to encourage the Government to undertake an initiative to promote the benefits of bone marrow donation in schools. The Department decided to take up the initiative, as it was in line with some of the thinking that it had been developing. The Government's positive response was confirmed in a letter from the Minister in May, and in June Adam was invited to an important meeting with the NHS Blood and Transplant service, to plan the details of how such an education initiative could be launched. That was the first of a series of many meetings that Adam has had with the service.

The important part of Adam's initiative and any debate about bone marrow donation relates to the general misconception among the population at large about how easy it is to become a bone marrow donor. Following Jeanette's leukaemia diagnosis in October 2005, it became obvious to Adam that there is a terrible misunderstanding of what is involved in being such a donor. Most people assume that it involves a major operation; in fact, it can be no different to giving blood, except that it lasts rather longer. No discomfort or pain is involved at all. I have to say to anyone thinking of becoming a donor, but put off by the thought of the procedures that they might need to go through, that it is a lot easier than most people think. If the general UK population understood that point, far more people would come forward to be donors in the first place.

That was confirmed by an exercise conducted at a school in Bedford by Mike Mallalieu, head of science, who, with Adam, undertook a presentation and two questionnaires for sixth formers at the school. Before that exercise in 2006, the first questionnaire found that 25 per cent. of the students were prepared to be a donor, and 65 per cent. were not too sure. After the presentation, when it had been made clear how easy donation was, 89 per cent. said that they were prepared to be bone marrow donors, and only 3 per cent. were not sure. Those findings so impressed the Department of Health that it has decided to take up Adam's initiative.

The statistics are startling. Most people on bone marrow registers are never required to donate their marrow at all. For example, of the 371,000 people on the Anthony Nolan Trust register, only about 300 a year are called to be donors. Indeed, there are some 273,000 donors on the British bone marrow register, which is only 1.2 per cent. of the 23 million people in this country aged between 18 and 44 who would be eligible to donate.

In January 2007, I was delighted to be able to raise this matter with the then Prime Minister, Tony Blair, at Prime Minister's questions. I asked him:

"Will the Prime Minister confirm to the House his Government's commitment to launch a donation awareness campaign in all secondary schools in September?"

He replied:

"We are indeed developing an education pack for schools to promote donation among 14 to 16-year-olds, and that pack will be offered to every school from this September onwards. In addition, we are looking at how we can build up our organ donation levels to those of other European countries. A taskforce is looking at recommendations and it will report shortly. I very much hope that that will align our thinking with that of the voluntary organisation that the hon. Gentleman has just mentioned. This is a serious question, particularly for people who suffer from leukaemia, as Mrs. Crizzle did; there is a real opportunity to make a difference in saving lives if we can extend the organ donation range."—[*Official Report*, 24 January 2007; Vol. 455, c. 1418.]

Mr. Peter Bone (Wellingborough) (Con): I congratulate my hon. Friend on this campaign, which is very well known in north Northamptonshire. I well remember the meeting with the Minister that he mentioned. Does he share my concern that this problem also affects the Asian population, where, again, there is a lack of donors? Unfortunately, that has affected at least one person in my constituency.

Mr. Hollobone: I am most grateful for that helpful intervention by my hon. Friend, who is absolutely right. There are two fundamental issues: first, a shortage of donors, full stop; and secondly, a particular shortage of donors where specific ethnicity is involved.

That brings me to the launch, in September 2007, of the education programme aimed at promoting awareness of bone marrow, blood and organ donation among 14 to 16-year-old pupils in state and independent secondary schools across the UK. The programme was recommended for use in the following classes: personal, social and health education, economics, citizenship, science, and information and communication technologies; it was later extended to religious education. The resource comprised a teachers' pack and a website and includes lesson plans, activity sheets, real-life stories, debating topics, games, films and other activities. I believe that the website has won an award because it is so good.

In 2008, the Jeanette Crizzle Trust commissioned BJS Research Ltd, an independent market research company, to conduct research to assess the level of awareness of the scheme among schools. The research found that only 3 per cent. of schools had used the resource in the first year, but the vast majority said that they were likely to use it in the future. However, 77 per cent. were not aware of it. In September 2008, I am pleased to say, the Secretaries of State for Health and for Children, Schools and Families wrote a letter to head teachers in all secondary schools in England promoting the scheme. That was a wonderful initiative.

In March 2009, six months after the letter from the Secretaries of State had been sent out, the Jeanette Crizzle Trust conducted research that found that among 250 schools surveyed, 28 per cent. were aware of the letter, and 4 per cent. had a vague memory of it, but 68 per cent. had no recollection at all, or no record of its ever having been received. Of the 28 per cent. who confirmed that they had received the letter, 100 per cent. told the trust that it was not the intention of the school to implement the Give and Let Live resource in the foreseeable future. That is of course extremely disappointing given the personal intervention by the Secretaries of State.

The Jeanette Crizzle Trust has commissioned research through annual reports in 2008 and 2009, as well as the specific piece of research following the letter sent out by the Secretaries of State. The latest research shows that

[Mr. Hollobone]

of 512 schools surveyed, only 22 per cent. of teachers are aware of the programme, which is no change on the first year. Some 18 per cent. said that they had received the pack, which is more than the 11 per cent. in the first year, but only 7 per cent. said that they had used the resource. That is hugely disappointing given the award-winning nature of the programme that the Government put together. In October, the Minister of State, Department of Health, the hon. Member for Lincoln (Gillian Merron), wrote to Mr. Crizzle to say that as far as the Department was concerned, 68 per cent. of secondary school teachers had ordered the pack. That may or may not be true, but the Jeanette Crizzle Trust's research suggested that only 7 per cent. were actually using the programme.

The Department of Health recognises the economic case for increased organ donation, and I am sure that we will hear in a minute of the wonderful things that it is doing to promote it across the country, not least because transplantation could save the NHS something like £150 million a year by reducing dialysis costs. In the correspondence with Mr. Crizzle, the Minister of State said:

"That is why we are fully supportive of NHSBT's work"—

the work of NHS Blood and Transplant—

"to drive up donation rates, and we are putting additional investment into the infrastructure for organ donation."

However, Mr. Crizzle and the trust are concerned that the Department is relying too much on the figure of 68 per cent. of schools having ordered the pack. In a letter to the Minister of State last month, he wrote that

"this 68 per cent. is just stating how many teachers have ordered the programme. It does not state how many intend to use it."

The Government say that 33 per cent. of teachers have taught the programme using the resource, but Mr. Crizzle pointed out that that

"is based upon a survey of 86 teachers...which is not truly representative of the number of UK schools and therefore the level of accuracy is questionable. I should point out that our annual surveys are based upon a national sample of 500 schools and are therefore significantly more statistically robust."

In the research conducted to see whether schools had received the letter from the two Secretaries of State, head teachers unanimously said that they had no intention of launching the programme and, according to Mr. Crizzle, gave the following reasons:

"There are other Government directives which have a higher priority...There is no additional funding for the Give and Let Live resource...Limited resources within the school preventing them including the Give and Let Live pack",

and finally:

"They will find it difficult to fit everything into the timetable."

Mr. Crizzle's letter concluded:

"Taking the above into account, it is fair and reasonable to suggest that our August 2009 survey, which showed that just 7 per cent. of UK schools have accepted the programme, is accurate."

I conclude where I started, by congratulating the Department of Health and the Department for Children, Schools and Families on getting the scheme under way. It is a wonderful programme. But I ask them to please, please put far more emphasis on promoting it. We need to get every school in the land involved, so that we can encourage more donors to come forward. It is a wonderful idea, and I ask Her Majesty's Government to promote it far more.

6.18 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I start by thanking the hon. Member for Kettering (Mr. Hollobone) for securing the debate and the hon. Member for Wellingborough (Mr. Bone) for his important intervention. I recognise the admirable work of the hon. Member for Kettering in supporting Adam Crizzle, who, as he described, has campaigned tirelessly to raise young people's awareness of donation since the very sad death of his wife Jeanette. I was sad to hear of her having died in such unfortunate and tragic circumstances, having given so much to her community as a teacher.

All forms of donation are important, which makes the role of NHSBT, as the special health authority responsible for ensuring the supply of blood, organs, stem cells and tissue for patients, so crucial. It saves lives every single day, and we should all be thankful for it. NHSBT needs to collect 7,000 units of blood every day to ensure that patients have access to life-saving blood and products when they are needed. However, in order to secure the blood supply to hospitals and patients, 350,000 new blood donors must be recruited every year to replace those who have had to stop donating. Thanks to the efforts of the National Blood Service and the altruism of existing donors, there has not been a shortage of blood in the UK for many years.

The Government are proud of the support we provide to NHSBT, and committed to continuing that in future years. That includes initiatives such as the Give and Let Live campaign, to which the hon. Member for Kettering referred. Designed to raise awareness among young people of the importance of donating, Give and Let Live is an award-winning educational resource pack produced by NHSBT. Developed to be delivered by teachers as part of personal health and social education, science studies or religious education, it is aimed at 14 to 16-year-olds. Since its launch in September 2007, it has been made available to 6,000 state and independent schools across the UK.

The independent evaluation of that programme showed that, as of September 2009, 68 per cent. of secondary schools have ordered the pack. Promoting altruistic donation to young people, who will be the donors of tomorrow, is not just good for patients who need transplants but exceptionally good for our society.

Other initiatives are being considered. My Department and the Department for Children, Schools and Families are considering how best to raise awareness of the various forms of donation among children and young people. Another education programme, Register and Be a Lifesaver, which has worked with the Give and Let Live campaign, has just completed a successful pilot phase. Delivered in partnership with the Anthony Nolan Trust, a key third-sector partner in so much of this work, the programme was set up following a campaign by the journalist Adrian Sudbury, who died of leukaemia and used the last months of his life to campaign for greater awareness of donation. It targets 16 to 18-year-olds and seeks to empower young people to make their own decisions on becoming a donor.

However, it is not always easy to meet the needs of everyone and provide treatment to all those who need it. That is especially so when we are trying to find a suitable stem cell unit to use in the treatment of acute

blood disorders such as leukaemia and anaemia. In those cases, it is important that a match donor be found. A related donor, usually a brother or sister, offers the best chance of achieving that, but unfortunately only
25 to 35 per cent. of patients have a match sibling. We therefore rely on unrelated donors.

Because transplants have become more common over the years, it is easy to forget just how difficult that work can be. Finding a donor who is genetically matched to the person needing treatment, fit enough to donate and willing to do so is a mixture of luck, hard work and professional dedication of epic proportions. Every time the process is successful, it is a major achievement that only those directly involved truly appreciate.

The task becomes even harder when the patient's genetic background is complex, as was the case for Jeanette, whose early death led to the introduction of the Give and Let Live campaign, as the hon. Gentleman said. However, the British Bone Marrow Registry, its counterpart in Wales and the Anthony Nolan Trust, which runs the largest bone marrow donor register in the UK, do that work daily. More than 13 million unrelated donors are available in registries worldwide. Currently, most come from a Caucasian ethnic background. Therefore, a typical patient from that racial group has more than a 90 per cent. chance of finding a matched unrelated donor, but that figure falls substantially for patients from ethnic minorities or for those who have a mixed genetic inheritance, who have only a 30 or 40 per cent. chance of finding a good match. Jeanette's husband must be congratulated on the tireless work he did to save her.

The Government have taken and continue to take strategic and targeted action to tackle the problem. We must not forget that the collection and use of bone marrow is but one source of stem cells for transplant. The NHS cord blood bank is the fourth biggest in the world, with some 14,000 stored umbilical cord blood units, and it has agreed business plans with NHSBT. We are investing nearly £10 million to increase the size of the bank to 20,000 stored units by 2013. A central aim of the NHS cord blood bank is to redress the imbalance of minority group representation on bone marrow registries by focusing collection at hospitals with ethnically diverse catchment areas. As a consequence, approximately 40 per cent. of donations come from the minority ethnic population, increasing the chances of finding matches for patients from diverse ethnic backgrounds.

The NHS cord blood bank has one of the best records of harvesting and banking unique tissue types to add to those available for transplant in the UK and worldwide. As part of this continued work programme, the Minister of State, Department of Health, my hon. Friend the Member for Lincoln (Gillian Merron), who has responsibility for public health, opened its newest collection site at St. George's hospital, Tooting, in October. As with all NHSBT's cord blood collection sites, St. George's was chosen because it serves families from a diverse multicultural mix.

We fully recognise the essential contribution of this work in supplying the NHS with suitable stem cells for transplant—work that saves lives. That is why we are determined to facilitate and promote discussion and debate on the way forward for the harvesting and use of stem cells for transplant. A review of the collection and use of umbilical cord blood, commissioned by the Department of Health last year, found practice in the UK to be comparable to that elsewhere. The review recommended further, detailed consideration of the collection and use of cord blood and a joined-up approach to service provision. Since that time, discussions have been held with a wide range of stakeholders on the issues we face in the collection, storage, commissioning and use of stem cells for transplant, irrespective of the source from which they are derived. We want to ensure that the UK remains at the forefront of this work and we are able to meet our obligations in matching stem cell donations to patients in need of a transplant.

Whole organ donation is also critical work. Currently, three people die every day in the UK while waiting for a suitable donated organ. More than 10,000 people in the UK need an organ transplant, a figure that rises by 8 per cent. every year. The Prime Minister has called for 20 million registered donors by 2010 and 25 million by 2013. NHSBT is running a UK-wide public awareness campaign to encourage more people to join the organ donor register and to talk to their families about their wishes. Also, it will soon be distributing information packs to MPs with an interest in donation and organising an event for MPs and stakeholders to raise awareness of the challenges of its work.

The hon. Gentleman raised the important issue of progress in schools. I know that all hon. Members are aware of the rigidity of the curriculum when it comes to such changes. I hope he understands that my role is not to look at the educational curriculum, although I believe that this debate is important and was well deserved. I will ask to meet the Minister for Schools and Learners and raise with him the importance of this debate, to see whether we can reconsider how we can encourage and facilitate participation in the scheme. As is accepted on both sides of the House, there are certain ministerial and departmental procedures to go through. However, I have given the hon. Gentleman a commitment, and I will seek to keep him informed and perhaps encourage him to come with me to that meeting.

Question put and agreed to.

6.29 pm

House adjourned.

Westminster Hall

Tuesday 1 December 2009

[MR. JOE BENTON *in the Chair*]

Higher Education

Motion made, and Question proposed, That the sitting be now adjourned.—*(Steve McCabe.)*

9.30 am

Mr. Rob Wilson (Reading, East) (Con): I want to begin, Mr. Benton, by saying what a pleasure it is to serve under your chairmanship and how delighted I am to have secured this extremely important debate on the future of higher education. Along with the rest of the sector, I was extremely relieved when Lord Mandelson finally announced the long-awaited review. After all, I had spent much of 2007, 2008 and 2009 calling for the Government to get on with that review.

As many people have said before, there is much to be proud of within our higher education sector. Its wider influence is important to the ongoing success of the British economy, its output is worth about £59 billion, it sustains 700,000 jobs and in the financial year 2007-08 the sector earned £23.4 billion. For every £1 million of university output, a further £1.38 million is generated in other sectors via a multiplier effect, according to a Universities UK report, so it is crucial that we do nothing to damage the sector's ability to continue its strong economic performance and world-class reputation.

However, I wanted to secure the debate this morning because I felt it important that Members of Parliament should have an early opportunity to discuss and possibly influence the review process while it is still at its beginning. I have always felt that this matter is far too important to play politics with. Therefore, I hope that all parties will get involved with the review to endeavour to make it work for the entire higher education sector.

Since the review was announced, I have heard far too many people—both students and vice-chancellors—say that a rise in student fees will be the inevitable outcome. Some students and parents are concluding that this independent review process is nothing more than a public relations exercise to justify a rise in student fees. I acknowledge that the actions taken by this Government when they have conducted such consultations and reviews have led one to the conclusion that they perhaps arrived at the answer before they had even asked the question. I sincerely hope that that is not the case with this review, and I do not believe that it is.

Indeed, it is absolutely critical for the reputation of Parliament and the Government of whichever persuasion who will be in power by mid-2010 that this review and its recommendations are absolutely beyond reproach. There must be no hint of any conspiracy to raise student fees. I know that we in the Conservative party will treat the review and its conclusions completely on their merits.

Bob Spink (Castle Point) (Ind): I warmly congratulate the hon. Gentleman on bringing this very important subject to the House at this time. Has he seen early-day motion 32, which talks about the negative effects of student fees, particularly on poorer families and students, in that they discourage students from going to university, which is a great loss to the country? It goes on to state

"that there are alternative models of funding higher education, which do not involve top-up fees; and therefore calls on the Government to publish full details of these alternatives to facilitate proper, informed debate and understanding before proceeding".

Does he agree with that aim?

Mr. Rob Wilson: I thank the hon. Gentleman for his question. Yes, I saw early-day motion 32 and I think that the important thing is that the review, because it is independent, takes a detailed look at the current system and all the alternative systems, and then makes its recommendations. We should not try to prejudge that review at this stage.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I congratulate the hon. Gentleman not only on securing the debate, but on the tone with which he has started it. I say that because he is quite right that higher education is a crucial sector.

Furthermore, does the hon. Gentleman agree that, for us to have a proper debate in the lead-up to the general election and so that we are not deluding people, we should put our cards on the table as to our own policies and make some proposals? If he agrees with that, will he, during this debate, make his own proposals, which he would like others to consider alongside the proposals of the Government, the Liberal Democrats and perhaps even the Scottish nationalists?

Mr. Wilson: I thank the hon. Gentleman for his question. The key is that we have this debate before and during the general election, and that everybody has their chance to have their say. Indeed, the Liberal Democrat position is very confused, as he will know. The Liberal Democrat shadow Chancellor, the hon. Member for Twickenham (Dr. Cable), is saying that he wishes to cut student numbers and does not wish to abolish student fees, and of course the hon. Member for Bristol, West (Stephen Williams) is saying something completely different, so it would be good if the Liberal Democrats arrived at a firm position and debated from it during the general election.

From my own time shadowing the—

Mr. Willis: What is the hon. Gentleman's position?

Mr. Wilson: I will come to that, if the hon. Gentleman will allow me to do so.

From my own time shadowing the higher education brief, I know that vice-chancellors and universities have a powerful voice in the corridors of power, which has been supplied by years of lobbying by their campaign groups. Although those voices sometimes compete with each other, they are none the less very influential; one has only to look at the number of briefings that we all received for this debate to realise the truth of that. However, I do not think that students will mind my saying that the student voice is not so clearly articulated. That is quite understandable, given that students have less resources to commit and experience more difficulty in establishing continuity within their leadership and organisation.

Several hon. Members *rose—*

Mr. Wilson: I will give way shortly, if hon. and right hon. Members will be patient.

Having said that, my former university, which I now represent as its constituency MP, fortunately has a first-class student union president and executive team in what is a very important year for students, and I know that they are doing their best to engage in this debate and provide a thoughtful and positive voice for Reading university students. Of course, the National Union of Students does its utmost to articulate the entire student voice and it rightly has a big role to play during the review.

Mr. Andrew Smith (Oxford, East) (Lab): I am grateful to the hon. Gentleman for giving way and I congratulate him on securing this very important debate. Will he join me in congratulating the NUS on the effectiveness of its lobby a couple of weeks ago? I have certainly valued the contacts that I have had with student representatives from both Oxford university and Oxford Brookes university. That lobby was extremely well organised and I think that it has influenced the course of this very important discussion that we are having.

Mr. Wilson: That is an important point. I have noticed that, over the past few years, the NUS has greatly improved its communications with Members of Parliament and its lobbying efforts, so I join the right hon. Gentleman in congratulating the NUS on its efforts in that regard.

David Taylor (North-West Leicestershire) (Lab/Co-op): I thank the hon. Gentleman for giving way and I congratulate him, both on securing the debate and his measured opening remarks. However, are not students extremely concerned that the higher education system, rather than being an engine of social mobility, is starting to entrench social inequality? For example, the social profile of those students who go into Russell group universities shows that fewer than one in six of them comes from a family with a less-well-off background, although such families represent 50 per cent. of the population. That cannot be allowed to continue and Lord Mandelson is right to look at the assessment procedures for those universities, is he not?

Mr. Wilson: The hon. Gentleman makes a good and valid point. I will address it later in my contribution, if he will be just a little patient.

I do not think it sensible for the Government to exclude the democratic student voice from the independent panel involved in the review. Having a former chairman of the British Youth Council on that panel is welcome, but it appears to some people to be window dressing and is simply not sufficiently persuasive for those who doubt the Government's intentions in announcing the review.

The Minister will be aware of early-day motion 1085, which calls for proper student representation during the review. As fee-paying customers, it is only right that students have their say, and as I said to the right hon. Member for Oxford, East (Mr. Smith), I applaud the NUS for its efforts to make itself heard. Reading university students union has also taken the lead on this issue, hosting a debate in conjunction with the NUS the other week. It is only right in a democratic society that we have such debates, as the hon. Member for Harrogate and Knaresborough (Mr. Willis) mentioned.

However, it is also important that any organisation that wishes to be part of an independent review process must not prejudge the outcome. It is critical that the review relies on the evidence and bases its recommendations purely on it. I know that the hon. Member for Oxford, West and Abingdon (Dr. Harris), who speaks for the Liberal Democrats, makes a big thing of evidence-based policy, and tuition fees is one area where that is exactly what we should be using.

Today's debate provides the Minister with a good opportunity to explain in his own words why the democratic student voice is not currently welcome on the panel and how he intends without it to ensure that the student voice is effectively heard. That will be important to the review's universal acceptance and overall success.

Stephen Williams (Bristol, West) (LD): The review on tuition fees will report after the general election. It is commonly understood that its terms of reference and chairmanship were decided jointly, or that at least the Conservative party was consulted on that remit, so does the hon. Gentleman think that the Conservative party pressed for the NUS to be included in the review?

Mr. Wilson: As the hon. Gentleman knows, I no longer have party responsibilities on higher education, but I am sure that my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) will be happy to provide an answer to that question later in the debate. The Minister will be aware of the importance I place on that issue as I have raised it several times on the Floor of the House and written to him about it. While not wishing to pre-empt his reply in any way, I hope that he treats the views of the student population of Reading and the NUS with the seriousness and respect they deserve.

I would like to make a couple of further points on the review of tuition fees. I have already said that any recommendations on that matter must be evidence-based. Frankly, however, I am not completely satisfied that the current fees have been fully justified by universities. As I travelled across the country while shadowing the HE brief, I felt that some students were being slightly short-changed by the quality of teaching and the support services at a number of our universities. Fees raised an additional £1.3 billion for universities, but I am not sure that I have seen a £1.3 billion improvement and investment in the student experience. Perhaps the Minister will say that that was never the intention of the fees, but we need that on the record.

Although comprehensive figures for student debt are still unavailable for the most recent student intake, several figures have been published that make sobering reading. A 2007 survey by Push.co.uk estimated that students commencing studies in 2006-07 could expect to owe an average of £17,500 on graduation, while those starting in 2007-08 could see their average debt increase to £21,500, and medical students, who have lobbied me for the debate, of course have much higher debts. Before any Government consider burdening our young people with even more debt, it is imperative that the review justifies how the previous fee money has been spent.

If the review recommends a further rise, based on the evidence, I would like two further conditions to be satisfied: disadvantaged students must be better off and ordinary hard-working families no worse off, and all students should receive a markedly enhanced student experience.

There is one further consideration. The student loans method of financing higher education is far from cost-free to the taxpayer. Any raising of the cap under the current system will require additional subsidy from the Treasury, which is already subsidising student loans to the tune of about £700 million a year. The Minister's departmental projections confirm that, at the current rate, that subsidy is likely to rise to £782 million in 2010.

With the national debt and the country's finances in such a terrible mess, is lifting the cap financially sustainable? I am not yet convinced that it is. Figures I have obtained from the House of Commons Library show that increasing fees to an average of £5,000 would increase annual Government subsidy to around £1.25 billion in 2015, and just over £1.3 billion in 2020. However, if the cap rose to £7,000, the figure could rise to an astonishing £1.85 billion by 2020. The cost to the Treasury of student support in 2010, including grants, is projected to be around £2.6 billion.

Of course, I use those figures with caution as examples to illustrate my point, but in the light of the need for transparency in the review it is important that the Minister is open and honest about all the potential implications. In these times of economic struggle, can the Treasury afford to keep raising the subsidy it provides to student loans? At the least, the review will have to justify that huge taxpayer subsidy to the Treasury if it recommends a rise in fees.

I do not want the debate to concentrate only on fees. The review's official remit is to

"analyse the challenges and opportunities facing higher education, and their implications for student financing and support",

taking into account

"the goal of widening participation, affordability and the... simplification of the student support system."

Mr. David Drew (Stroud) (Lab/Co-op): I thank the hon. Gentleman for giving way and being so generous with his time. Does he agree that one of the problems is that the university sector is not homogenous? There are now very different universities, some of which, particularly the new ones, have never managed to get on top of their funding gap. If we are to look at the sector properly, we must examine the differential roles of those differentiated universities.

Mr. Wilson: The hon. Gentleman makes an excellent point. There is wide variation in the types of university in the sector, but I think that that is a cause for celebration, rather than concern. If we can get the review right, there will, as he said, be room for all types of university and that diversity will be celebrated, perhaps even more than it is today.

David Taylor: I would like to cite the example of the university of Leicester, whose motto is "Elite without being elitist". It goes for the highest possible standards, but the broadest possible intake of students, and it achieves that to a significant extent. That could be a model for the Government in how to avoid fees pricing out ordinary working-class students from the best universities.

Mr. Wilson: The hon. Gentleman shows enormous pride in his local university, which is as it should be, but the answer to his question about which model the Government should use should really come from the Minister, rather than from me.

Although fees constitute a major part of the review, other important factors must be addressed over the coming months. One such factor is access to higher education, or widening participation, as it has become known. In July, a panel led by the right hon. Member for Darlington (Mr. Milburn) reported that the Government have failed to help people from disadvantaged backgrounds to get to university and pursue elite careers. It found that

"the UK's professions have become more, not less, socially exclusive over time",

with 75 per cent. of judges and 45 per cent. of top civil servants having been privately educated.

The issue of social mobility gathered pace over the past week, following Lord Mandelson's comments about admission to top universities such as Oxford and Cambridge. He said that instead of relying on A-levels and exam results, universities should also take account of "contextual data", such as an applicant's school or home neighbourhood.

However, in talking about access to Oxbridge, Lord Mandelson was wading into dangerous waters by reigniting the argument about social engineering. For example, his comments were translated by one newspaper into the following headline: "Middle class students face university place struggle as Mandelson backs giving poorer students two-grade 'head start'". Yet both Oxford and Cambridge have set tough targets for the proportion of pupils they will take from state schools by 2011—Oxford's is currently 62 per cent. and Cambridge's is between 60 and 63 per cent. Although that is an important and admirable attempt to widen participation, we must be careful when setting top-down targets for admissions.

I believe absolutely that more of our brightest students from state schools need to attend our best universities, but instead of simply imposing top-down targets, we must ensure that young people are not put off from applying to those universities in the first place. That is arguably a bigger barrier for many young people, and it often comes down to lack of aspiration in those around them rather than in the young people themselves.

In one of its excellent reports on widening participation, the Sutton Trust analysed entrance to Oxbridge by individual school over the period 2002 to 2006. Interestingly, although probably as expected, it found that only 30 schools, or less than 1 per cent. of the total, accounted for 15 per cent. of all Oxbridge entrants. Why do certain schools and not others succeed in securing their pupils Oxbridge places? Careers advice has a crucial role to play. It is desperately lacking from the vast majority of state schools, where our brightest young people are simply not pushed to apply to our top universities.

Writing in *The Guardian* earlier this year, my hon. Friend the Member for Havant (Mr. Willetts), the shadow Minister for universities, said:

[Mr. Rob Wilson]

"Young people from more deprived backgrounds do not lack aspiration, but rather knowledge of the routes to realise it."

As we have been stating for years and as the Milburn report reiterated, there is not much good to say about the ailing Connexions service. The careers service in our schools has let down young people badly and contributed to a curtailment of social mobility.

The bottom line is that good information is vital to improving university access. Young people need proper support at every stage, from choosing appropriate A-levels to understanding student finance. I do not want to generalise, but a substantial cultural change is necessary in our schools if more bright young people from disadvantaged backgrounds are to apply to top universities in the Russell group, for example.

An interesting report on applications and admissions for the Department for Business, Innovation and Skills, also by the Sutton Trust, highlights the problem. It found that students from FE colleges were the least likely to apply to top universities. There is clearly scope for further investigation of the reasons why students from FE colleges do not apply to top universities in the quantities that might be expected. My party would tackle part of the widening participation agenda by redirecting funding towards a substantially enhanced independent careers service in every secondary school and college. However, teachers must also encourage pupils with ability to apply to our best universities and not simply to assume that the best universities are for the privileged or wealthy. They are not, and I am totally convinced that they do not want to be.

Mr. Andrew Smith: I am grateful to the hon. Gentleman, who is being generous in giving way. I agree strongly with the point that he just made about the need for a culture shift and raised aspirations in secondary schools—and, indeed, in primary schools—so that a far wider range of children can reach the highest level. Does he agree that the efforts being made by Oxford colleges, as well as other universities, to reach out into poorer communities, including mentoring by students, can be an important force in creating such a culture shift?

Mr. Wilson: The right hon. Gentleman is absolutely correct. When I visited Cambridge, I saw a number of outreach programmes. I was extremely impressed by that university's mentoring programmes and the work it is doing to attract more young people from disadvantaged backgrounds. The work being done in that respect at Oxford, Cambridge and other Russell group universities is first-class.

Mr. Mark Field (Cities of London and Westminster) (Con): Does my hon. Friend also recognise that mentoring has been around for some considerable time during the 25 years since I went up to Oxford? I went to the same school as the right hon. Member for Oxford, East (Mr. Smith). He, of course, was the black sheep of the family, having gone to grammar school and ending up a Labour Member of Parliament. However, the serious point is that we were lucky to have been at a state school with a tradition of sending a number of boys to Oxford every year. Twenty-five years on, the number is considerably larger than when we were there.

Oxford and Cambridge college tutors—not all, but many—have made a substantial commitment going back some decades to reach out as far as they can, but is not the real issue schools' aspiration, as my hon. Friend says, to ensure from the age of 14, 15 or 16 that the brightest children from deprived households see any university, let alone Oxbridge, as an option for them?

Mr. Wilson: My hon. Friend makes a good point, and I agree wholeheartedly. As I have suggested, I do not believe that the real problem lies with tutors or the outreach work done by Oxford and Cambridge. They are trying very hard indeed to attract large numbers of disadvantaged people through a series of programmes. Unfortunately, that is not being reflected by activities in some schools, such as those of the careers service. It is also partly to do with the fact that some teachers might have fewer aspirations for young people than those young people have for themselves. Good advice would certainly not go amiss within such schools.

Mr. Willis: The hon. Gentleman is being incredibly generous in giving way. That is what is good about debates such as this.

In the spirit of the debate, may I say that when we talk about higher education, we always go on about Oxbridge and the Russell group, but the reality is that not enough young people from lower socio-economic groups aspire to go to any university at all? That is the challenge. Does the hon. Gentleman agree that although we concentrate on a small group of elite universities that, as we found when we investigated, are doing a strong job of trying to get young people in—I do not blame those universities—the challenge is getting youngsters to stay on at school after 16 and aspire to go to any university? That is why the FE sector delivering HE is crucial as part of that journey.

Mr. Wilson: The Chairman of the Select Committee speaks with great knowledge and passion. I will come to exactly that point in a few minutes, but I must make some progress now. I have been speaking for 25 minutes and I know that other Members want to speak, so I would like to keep interventions down to a manageable level.

The review can play a major role in ensuring that all able students—irrespective of background, postcode or father's profession—can attend university, including the very best university if that is their wish.

We cannot discuss widening participation without mentioning the importance of part-time learners, who represent a significant proportion of the student body and have always been somewhat disadvantaged within the system. Again, the review is a perfect opportunity to put right some of the wrongs that they have suffered. I think that we would all agree that the artificial barrier between full-time and part-time students is unacceptable in a modern, diverse and accessible higher education system. Staffordshire university's vice-chancellor, Christine King, has undertaken useful work on the matter, and I hope that it will be taken into account during the coming months as the review progresses.

In light of the changing student demographic, the review should also consider the higher education taught in further education colleges. The benefits of such provision include local access, wider participation and affordability. What is most important is enabling people to access

education in a way and at a pace that are right for them. That means more HE taught in further education colleges and more part-time, distance and modular learning.

For that reason, as the Minister will be aware, I have long advocated that the UK take note of the US community college model of higher education. Such colleges provide access to higher learning for millions of students and, a bit like the UK's further education sector, have a higher proportion of entrants from lower socio-economic groups.

Although I do not wish to use my time today to plug the American education system, several things of relevance to the review are worth noting. First, the US system is based on credit, enabling people to drop in and out of study as their lives dictate. The career ladder is rightly viewed as a career lattice, and students can accumulate credit until they are ready and able to transfer to a traditional university to complete their degree. I do not see why a progressive sector such as the UK's should not have comparable flexibility. I acknowledge that the Government have moved in that direction by broadening foundation degrees, but much more could be done.

The second factor that impresses me is how networks of colleges pool their resources as part of articulation agreements. Some embryonic examples of that model can be found in the UK, such as the Staffordshire university regional federation—a collection of FE colleges affiliated to Staffordshire university. If we are to make tough decisions about the sector's financial future, sharing backroom expenses could be one way to cut wasteful administrative costs.

The third point about community colleges is their engagement and integration with local businesses. The model has proved so successful that funding is usually in thirds: one third from the Government or state, one third from the individual and one third from local business. The emphasis on localised provision to meet local business needs has helped to differentiate community colleges from traditional US universities. The range of work-based learning provision covers courses such as soft skills, customised job training, short intensive courses and training for local businesses.

According to the Association of Colleges, one third of higher education places in colleges are often for adults seeking professional qualifications, with their fees being paid by the employer. The higher education review should look to expand such provision and examine closely what is happening in the US.

I believe, however, that true business collaboration will occur only when investing businesses have more say in the course material within institutions. In recent months, business in this country has justifiably criticised the quality of the school leavers that our schools are turning out, but it also needs to start putting more effort into supporting further and higher education so that the skills it needs are provided locally.

As well as debating the contentious topic of the future level of fees, the review will, I understand, consider the whole financial package on offer to students. That package is confusing to young people at school, as I think the Youth Council found in a report published earlier this year. The current system of local bursaries, grants, loans and other financial assistance such as private sector input is confusing. That is particularly unhelpful to those disadvantaged groups that rely more on such financial assistance. I hope that the review makes recommendations that would simplify the system for users. It may well be worth considering the merits of a national bursary system, for example.

In coming to informed conclusions about the student finance mix, the review should consider all potential options. That should of course include the call from the NUS for a graduate tax. Clearly, there are issues with that, as the cost of pump-priming such a solution may be well beyond anything the country can afford in the current circumstances, but it is essential that the review considers all possible solutions for student financing.

I intended to round off my remarks with a few comments on employability, but I am conscious that a number of hon. Members want to speak. I shall simply say that it is important for organisations with an interest in this issue to make their feelings clear during the coming months if they want to have a chance to influence the review. Such windows do not open for long, and for the first time in years the sector has a genuine opportunity to make real changes that will benefit the country both socially and economically.

I hope that by securing the debate and advancing my views constructively, a dialogue has been started that will result in a secure and, indeed, prosperous future for higher education in this country.

Mr. Joe Benton (in the Chair): Before I call the next speaker, may I point out that I propose to commence the winding-up speeches at 10.30? I call Mark Williams.

10.3 am

Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship, Mr. Benton. I pay tribute to the hon. Member for Reading, East (Mr. Wilson) for securing this important debate. I feel slightly like a Welsh interloper in an English debate, but I hope that as I speak it will become apparent why some of the issues raised by the hon. Gentleman are directly relevant to my constituents.

I represent two universities in Ceredigion, at Aberystwyth and Lampeter. Lampeter has now merged with Trinity College, Carmarthen. The universities are a source of great pride to us and provide significant employment in the county. Approximately 18,000 students are enrolled at our two universities and, as the hon. Gentleman described, those students play a huge role in the local economy. The university of Lampeter has had a tough time in the last year or so with the merger. There has been a great deal of pain; there have been job losses. However, the merger was essential and I think that the worst is now over. The new vice-chancellor has a great vision for the way forward.

There is hope. We have moved forward, thanks to the support given by the Higher Education Funding Council for Wales and the Assembly Government. I will not stray into devolved matters, but I would like to place on the record our appreciation for that support. Higher education in Wales is rightly devolved. The Minister for Children, Education, Lifelong Learning and Skills, Jane Hutt, is talking to the Select Committee on Welsh Affairs this morning and the Minister present for this debate will come to see us on Thursday.

Last week, Jane Hutt made a statement about higher education in Wales. The point that I want to make is that decisions here and the review that we have been hearing about have a direct impact on the Welsh higher education sector as well.

[Mark Williams]

Let me give some context for the higher education sector in Wales and its importance to the Welsh economy. Its annual turnover is £1.1 billion and it brings a further £1.1 billion into the Welsh economy. The sector provides 33,000 jobs directly or indirectly to Wales, and 640,000 jobs in the UK as a whole. It is fair to say that Wales punches above its weight in the higher education sector. If anything, the sector is more important to the Welsh economy than it is to the English, because it involves a larger proportion of gross domestic product. The Assembly Government have placed renewed emphasis on growing the knowledge economy. Higher education is one of our best sectors and we need to use that to our advantage.

Cross-border implications are of fundamental importance and need to be considered when policies are proposed, not least because Wales has the highest proportion of students coming from outside the country of any nation in the UK. We are having the review of fees. Such reviews and reviews of other higher education structures can have significant effect on how Welsh universities operate and their capacity to attract students. We need to keep the official lines of contact between the Minister's Department and his counterparts in Cardiff Bay. That issue was raised in one of our previous Select Committee reports. I am referring to the extent of that collaboration and the extent to which there is knowledge in the Minister's Department of a separate structure in Wales. I would be grateful if he outlined the extent to which that dialogue is ongoing.

I am a member of the Welsh Affairs Committee, and when we produced a report on cross-border higher education we identified a number of areas for improvement. The most stark was the £60 million funding gap between Wales and England. The hon. Member for Stroud (Mr. Drew) alluded to the funding differential between institutions in England. There is a real funding gap between Wales and England. I would be grateful if the Minister at least acknowledged that divide, as it has a huge effect on us, not least because Wales has a strong record of attracting students from overseas to our colleges. We also noted the importance of further education and the need for learners in some instances to cross the border. Again, that requires close collaboration between the Governments in Westminster and Cardiff.

We have heard about the importance of part-time study. In a refreshing speech, the hon. Member for Reading, East alluded to the importance of part-time education, including part-time degrees. Lampeter in my constituency has been at the forefront of developing models for part-time learning. Some 40 per cent. of the students in Wales are studying part time. At Lampeter, 6,400 of the 7,800 students are part time—a huge proportion. Again, Liberal Democrat Members want to break down the divide in that respect.

The higher education sector in Wales is an important driver of Welsh language provision. There are plans for a federal college to be established in 2010. That will make a major contribution to the development of the Welsh language at a higher level, and it is being supported at the universities of Bangor and Aberystwyth. We have made great strides in improving knowledge of the Welsh language through primary education, but there is a need to expand the knowledge of advanced and technical Welsh, and the higher education sector is starting to meet that need.

I am conscious of the time, but I want to touch on one other important matter affecting Welsh institutions. Concern has been expressed in Wales about the Secretary of State's apparent intention to concentrate research funding on a few elite universities that can demonstrate world-class capability. I stand to be corrected if that is not the case, but it is the perception of what he has spoken about. Currently, of the £2.8 billion distributed by Research Councils UK, Wales receives about 3 per cent. This is one of the rare areas where I would be pleased to see the Barnett formula applied. We have high-quality institutions that will continue to attract research funding, no matter what the situation, but I hope that we are not moving to artificial control of the supply of research funding to certain favoured universities and departments, which could have a real and detrimental effect. What did the Secretary of State mean? Can the Minister assure me that if quality bids are made, they will not be prejudiced if they are not deemed by the Secretary of State to be from world-class departments?

Research funding is hugely important. One case study is the Institute of Biological, Environmental and Rural Sciences, near Aberystwyth. It has received significant funding from the Biotechnology and Biological Sciences Research Council, which supports the institute.

David Taylor: Wales has some exceptional universities. My youngest daughter did her first degree at Aberystwyth and was very happy with that institution—the hon. Gentleman's own university. On finance, and research finance in particular, surely the generous Barnett formula allows sufficient latitude to provide the extra funding needed by the universities to which he refers. We in the east midlands, with a population of 4.25 million compared with 3 million in Wales, have substantially lower public expenditure per capita than that which the Barnett formula allows for Wales. There is scope in it for the funding; the hon. Gentleman does not need extra resources.

Mark Williams: I thank the hon. Gentleman for that observation. I know that he knows my area well, but I question the extent to which that latitude is there. That has not been the reality for research work in my constituency.

The work of IBERS would be considered world class, perhaps more so, as a result of the merger between Aberystwyth university and the Institute of Grassland and Environmental Research, but there is a danger that other growing and improving departments could miss out on funding that would enable them to increase their reputation. An element of competition is essential in research funding, but any perception that funding was sewn up for a favoured few would significantly damage our research base.

One recommendation in the Select Committee report was

"that DIUS makes available a specific allocation of research funds to develop the research capacity of HEIs outside the established elite to enable them to gain a track record of success and so be able to compete more effectively for research funds from other sources."

In other words, we need to prime those institutions for the future. We also recommended that the Department for Innovation, Universities and Skills, as it then was,

investigated why Wales does not appear to receive as high a proportion of research funding as we would expect given its relative size. The Government were lukewarm about those recommendations, but I hope that the Minister looks at those matters again. I do not want to pre-empt the questioning, but he will certainly have questions on that subject on Thursday. We should not expect Wales necessarily to get a share based on population, but we need to investigate whether there are institutional factors within the funding councils that are operating against Wales and whether they can be addressed.

I shall conclude with a couple of examples of the work that IBERS is doing. It has just been awarded a Queen's anniversary prize for further and higher education for projects to develop plant types that are more resistant to drought to combat climate change. It is doing pioneering work on biofuels and has been at the forefront of developing cattle feeds that reduce methane. That is only a snapshot and I could certainly introduce an entire debate on the work of IBERS, as I have before.

I want to make it clear that the research is extremely worth while and useful work, and it is being done as a result of research funding, which is why we need to continue to support Welsh research.

The Welsh higher education sector remains a hugely important part of our economy, and I urge the Minister to reflect on the impact on the Welsh sector of any decisions that he takes and to continue to develop strong relationships with his Welsh Assembly Government counterparts.

10.14 am

Mr. Mark Field (Cities of London and Westminster) (Con): I congratulate my hon. Friend the Member for Reading, East (Mr. Wilson) on introducing this important debate. Its focus, understandably, has been largely on access and funding, as we heard from the hon. Member for Ceredigion (Mark Williams). I want to add a few thoughts of my own.

I know well the constituency of my hon. Friend the Member for Reading, East as it includes the town I was brought up in. I was educated at the local grammar school, Reading school, as I mentioned earlier. John Weeds, the principal, does a fantastic job. When I was there over three decades ago, it opened up a lot of opportunities for a lot of people from relatively deprived backgrounds. I fear that its academic excellence, coupled with the fact that its catchment area is rather broader than it was in the 1970s and early 1980s when I was a pupil, mean that it probably has more children from middle-class, aspirational and professional backgrounds than when I was there. It continues to have fantastic academic results. It is a beacon, and it is rare for it to slip outside the national top 10 state schools for academic results.

At this stage, I ought to declare an interest: I have spent the past almost five years as a member of the advisory committee of a private college called the London School of Commerce. I do not know whether the Minister has yet visited it, but his predecessor, the hon. Member for Harlow (Bill Rammell), who is now Minister of State, Ministry of Defence, did. It has strong connections with the university of Wales institute, Cardiff, so I have been to Cardiff a number of times and am therefore aware of some of the funding and broad structural issues to which the hon. Member for Ceredigion referred. Professor Antony Chapman and his team at UWIC do a tremendous job developing an international flavour and first-class courses, particularly MBA courses, which have grown out of recognition over the past few years.

That role is an example of having an outside interest in an area in which I did not have much experience. I was a businessman before I entered Parliament and, obviously, representing my seat, as the Minister and other hon. Members will recognise, most of my interest and expertise in the House is on economic and financial matters. My interest in the college has opened my eyes to how higher education and quality higher education operate. The London School of Commerce is an innovative and leading college, the founding college of the Association of Independent Higher Education Providers, and it focuses on best practice.

I wish to touch on visa issues, if I may. The college works closely with the Home Office, the British Council and visa control staff in our embassies abroad to ensure that, as far as possible, there is proper attendance—there are strict guidelines on expected attendance. Through text messaging and state-of-the-art technology, it ensures that it keeps tabs on its students, particularly those with visas coming from abroad. Working with other colleges will set a template that I know it will be proud of as time goes on.

We face some problems. This year's student visa changes have left stranded many thousands of foreign students who wanted to come to this country. I am pleased that by the end of the year we anticipate the results of an urgent review by the Home Office and the Department for Business, Innovation and Skills on the operation of the visa system. It is right to ensure that a proper visa system is in operation, but everyone will accept that some hard cases have gone the wrong way.

A lot of colleges require money from international students. Let us face it: higher education is one of our biggest international businesses and the visa issue has become a major problem. There are issues at stake here. We need to promote education. Some £1.5 billion a year is raised from overseas students, which inevitably helps to cross-subsidise British students. In many ways, tuition fee levels cannot be discussed without considering the number of international students.

I am lucky enough to represent a constituency that takes in three of the finest of our global universities—Imperial college, the London School of Economics and King's college. I spoke with Sir Richard Sykes, then rector of Imperial college, and he made it clear that to balance the books he had to take a lot of overseas students. He felt that there was an obligation, which I think applies to all our institutions, to ensure that we also take our home-grown product and do not allow the desire—and, in many ways, the need—for funding to crowd out suitably qualified students, particularly at postgraduate level and, to a lesser extent, at undergraduate level from our institutions. However, we should not forget the importance of overseas students to our economy. Not only do they bring in £1.5 billion in fees annually, but they spend about a further £2.5 billion off-campus and have huge export earnings.

Mark Williams: Of course this is about bringing money into our system, but does the hon. Gentleman agree that it is also about building meaningful partnerships

[Mark Williams]

between institutions in this country and institutions abroad? I think of my example of Lampeter, with its Chinese students and Confucius institute, which is partly funded by the Chinese Government. That is an example of meaningful links between two countries.

Mr. Mark Field: I was just coming to that. The single most important issue here is that this group of relatively young people will, we hope, go back to their own countries and become ambassadors for this country, or perhaps I should say these countries, given that I am speaking to the hon. Member for Ceredigion.

It is important that we build those links. As part of my involvement with the London School of Commerce, I have been to Dhaka in Bangladesh and Kuala Lumpur in Malaysia, where there are two overseas colleges, both of which are thriving and doing tremendously well. It is no secret that many of our top universities—even those in the Russell group—are actively seeking connections with China and increasingly with India and other places in Asia as an important part of their growth.

In this country, we obviously have the benefit of speaking the lingua franca—English—which is vital in attracting students to these shores. We also have an internationally respected system. We must pay some tribute to this Government, although I hope that the same will apply to past and future Governments, for the fact that we have a rigorous examination system and a rigorous inspection system for our higher education product, which means that that product remains a great success.

We need to look at other countries, particularly the United States and Australia, which have a tremendous track record in higher education. Again, that is appealing because they speak English. We should recognise that we are talking about an important growth industry: 20 million people a year are being added to the ranks of the middle classes in China and India, so there is a tremendous opportunity for some of the brightest and the best to do postgraduate and, on occasion, even undergraduate courses here. This is an important market and we should be looking to plug into it.

I say that not least because, in the light of the credit crunch and the financial crisis, I have all too often given speeches in the past couple of years saying that we cannot and should not be overly reliant on the financial services industry in the years to come. Everyone recognises the need to achieve a balance of business. That is not to say that we should not admire our world-beating financial services industry, but it would be unwise to become overly reliant on it, as we have perhaps done in recent years, particularly in the tax income that comes from it.

We must look at other industries that will be sources of great strength, and those include the creative industries, environmental technologies and education. Calling education an industry may make one or two vice-chancellors quake—it is and remains a profession—but it provides an important overseas service and we should recognise its great importance.

One of the most encouraging aspects of my relatively limited experience in this field is that when I speak to vice-chancellors and other leading lights in the universities, they recognise the importance of broadening their horizons beyond this country and of ensuring that we are a beacon throughout the world. We need to keep a close eye on developments in this area, because they will provide a great opportunity not only in the next few years, but in the decades to come.

If we can position ourselves, we will reap enormous benefits, not least from the relationships that we will build institutionally and individually. As I said, one of the most important things that we can do is get some of the brightest and best young Indian and Chinese entrepreneurs of the future to spend a year or two in this country. That will provide some of our most important links. As we know from people we met in our own undergraduate and student days, if we can get people at that stage, it can make a terrific difference to this country.

I appreciate that I have spoken on a somewhat different plane from the other two contributors to the debate, but I think that we need to look at two issues. First, we need to have a quality product. To be honest, there has been some complacency in this country. As a graduate of Oxford, I certainly think that my alma mater has been rather complacent about its place in international league tables. A huge number of American universities are gradually making more and more progress in many of the international research tables, not least because they benefit from huge alumni funding and can attract some of the brightest and best students and academics. However, we have some tremendous universities, and a positive comparison can certainly be made between their positions in world tables and those of other European universities.

None the less, we need a much more global outlook. One needs only to look at the technology colleges and technology universities in India going back to the time of Nehru to see that they remain strong competitors. In a couple of decades, some of the best operators among the Chinese universities will also be global players. In terms of the quality product on which we will look to base our international appeal, therefore, this is and will remain a very competitive world.

We also have to look at the issue of quantity; we should not shy away from that. Obviously, there will be funding issues. One complaint is that some of our universities have put too much effort into getting bums on seats and filling courses, almost regardless of the quality of the product provided. However, the reality is that more and more people will want to go to university and will recognise the benefits of a university education as not only this country but the world becomes more middle class in its aspirations and outlook.

That is not to take away from the debate that has taken place about access, which is important, but it is vital for our quantity product that we look at some of this country's competitive advantages on the higher education scene. We will not necessarily need a heavy touch from the Government, although much of our testing and regulation stand us in good stead. Degree-awarding status should not be watered down for the sake of it, because we want to ensure that our degree-awarding bodies set something of a gold standard in the international world of education.

I have had an opportunity to speak for rather longer than I thought I would. Hon. Members who have been able to make contributions feel passionately about this issue and higher education is an important aspect of this country's expertise. I thank my hon. Friend the

Member for Reading, East for his contribution and look forward to what the Minister has to say about what I am sure is a very much a work in progress, although we will no doubt return to these debates in the months and years ahead, as higher education maintains its importance in the British economy.

10.27 am

Stephen Williams (Bristol, West) (LD): I congratulate the hon. Member for Reading, East (Mr. Wilson) on securing a debate on such an important topic. He has been a Conservative higher education spokesperson and served on Select Committees alongside me for a couple of years, so I know that he has a long interest in these matters. Now, however, he is safely ensconced in the Conservative Whips Office. He said that the views that he expressed were essentially his own, although I assume that they were not too out of tune with those of his party or his Front-Bench spokesmen.

It is good to have a debate on this important issue, because in the run-up to the general election it is a worry that the Government and the Conservative party should be determined to stifle debate on the future of higher education and will deny voters at the election a clear opportunity to distinguish between the two political parties. My party is absolutely determined that higher education will be high on the agenda at the election.

Higher education is crucial to the future of the British economy. If we are to compete in the world, the knowledge-based economy will be crucial. The hon. Member for Cities of London and Westminster (Mr. Field) rightly said that if we are to compete, particularly against the emerging economies of China and India, it will be on the basis of quality, not volume. People around the world look to the quality of British higher education, which already gives us the second largest share of the international market in higher education.

The hon. Gentleman also rightly drew attention to much concern in the sector about the tough regime introduced by the Home Office to control student numbers. It is important that the review body should look at how England, Scotland and Wales can be open in the international market to academics and students from all over the world.

Mr. John Hayes (South Holland and The Deepings) (Con): The hon. Gentleman is usually intelligent about these things, but he must get out more. If he did, he would know that the Conservative Opposition have a highly distinctive position on higher education; it is sensibly and constructively critical of the Government when it needs to be. He should know that, because I was articulating that position on a platform with his colleague, the hon. Member for Montgomeryshire (Lembit Öpik), just last week.

Stephen Williams: I shall look with interest at what my hon. Friend and the hon. Gentleman said in that debate.

The size of the sector has been mentioned and the hon. Member for Reading, East referred to the 50 per cent. target. Just to make it clear, I should say that the Liberal Democrats have never supported the 50 per cent. target. We believe that more people should have the opportunity to go into higher education, but setting an arbitrary target has never been a key part of that. *[Interruption.]* The Minister is chuntering from his seat, but what is more important—an Opposition party that honestly says that an arbitrary target is not the way forward, or a Government who for a decade have clung to a target that they were meant to achieve by 2010, which starts in 31 days' time, but that they have no hope of achieving? They still say that that target is incredibly important.

Now, in the framework announcement of just a month ago, we have a new target of 75 per cent. of people achieving level 3 and above; no doubt that is to obscure the fact that the existing target has not been met and has no hope of being met in the foreseeable future.

Mr. Rob Wilson *rose—*

Stephen Williams: What is really important is what the hon. Member for Reading, East focused on in a large part of his speech—not the volume of people who go to higher education, but who goes to higher education.

Mr. Wilson: Will the hon. Gentleman clear something up for me? Does he agree with the Liberal Democrat Treasury spokesman, the hon. Member for Twickenham, that the Liberal Democrats should cut the number of young people who can go to university?

Stephen Williams: My hon. Friend has not said that we should cut the number of people going to university, but simply reiterated the position that I have made abundantly clear on many occasions: we do not support and have never supported the 50 per cent. target. However, we do agree that there is a big problem with the social divide in higher education and with who has access to a high-quality higher education. That is why at the next general election one of our key pledges is for a pupil premium, so that disadvantaged children are not left behind their classmates and are able to succeed at 16, to stay on at 16 and to have the opportunity to participate in higher education. The logical outcome of that policy is that more young people will be able to go into higher education.

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): If the Liberal Democrat position is that to support a 50 per cent. aspiration is no longer right, is it not axiomatic that that must mean a cut in the number of young people studying full time at universities? That is what has been said by the hon. Member for Twickenham (Dr. Cable). Can the hon. Member for Bristol, West (Stephen Williams) confirm this morning that that is the Liberal Democrat position?

Stephen Williams: The Minister talks about a cut, but according to the Government's preferred measure of 18 to 30-year-olds, for most of the past decade participation in higher education has been about 40 per cent.—sometimes slightly below, currently slightly above. We are saying that a 50 per cent. target, which was meant to have been reached next year, involves an arbitrary number with little meaning. We are about 10 per cent. away from that target, so to say that the Liberal Democrats' not subscribing to a target that has not been met amounts to a cut is, I am afraid, not a very numerate position for the Minister to put forward.

Mr. Lammy: Is the hon. Gentleman confirming that the Liberal Democrat position is that 43 per cent., the current percentage, is about right?

Stephen Williams: No, I am not saying that. I made it clear in my earlier remarks that we believe that there is a problem with the number of people going into higher education. There are vast pools of untapped opportunity in the country. I have made such points on umpteen occasions in the past four and a half years, when I have been speaking for my party on the subject. We have never subscribed to the arbitrary 50 per cent. target.

The hon. Member for Reading, East and several other hon. Members mentioned part-time learners. It is crucial that the review looks at how a level playing field can be constructed for people who choose to study part time. We know that the number of young people is going to fall over the next decade and that we need to upskill our work force, who are largely going to come from people who are studying part time. The financial and course regimes make that hard for people to do. Whatever the funding future is, we must make sure that it is level between those who study full time and those who study part time, and that credit accumulation and transfer is part of that future.

Mr. Wilson: Before the hon. Gentleman leaves the previous topic of student numbers, can he explain why the hon. Member for Twickenham included in his calculations the money savings from the cut in student numbers?

I particularly refer the hon. Member for Bristol, West (Stephen Williams) to an article in *The Independent* on 17 June. If the hon. Member for Twickenham is making those financial savings by making such cuts, how can he not be cutting student numbers at the same time?

Stephen Williams: I am delighted that the hon. Gentleman—probably with assistance from his colleagues in the Conservative Whips Office—studies so carefully what Liberal Democrat spokespersons say in the run-up to the general election. We have a good record at every general election of putting forward not only what policies we would like to achieve in our manifesto but how we shall fund them. We shall certainly be doing so on this occasion. The exact mix of funding priorities and how we meet them have not yet been determined. Obviously, given the turbulent economic circumstances, different ideas have been mentioned at different times, but the final decision has not been made.

My hon. Friend the Member for Ceredigion (Mark Williams) also mentioned part-time students, as well as cross-border issues. He and I are a pretty good example of the complexity of cross-border issues. He went to school in England, went to university in Wales and now represents his adopted-home seat, while I made the opposite journey. That was quite easy for us to do in the 1980s; it would now be a much more complicated educational—hopefully not political—journey for us to make. It is vital for the review to look at the complicated cross-border issues between Wales and England and with Scotland and Northern Ireland.

Coming to funding, the White Paper, published by the Government a month ago, makes it clear that the

"redistribution of existing funds and leverage of private investment rather than…new money"

will be the way forward. In other words, it says that a large part of the future funding growth of higher education will probably come from students or graduates. Everyone expects that the review will recommend an increase in contributions from the graduate body. As I said at the outset, it is a shame—to put it mildly—that that review will conclude well after the general election. The announcement of the framework said that the review would conclude in the summer, while the written statement announcing the review said that it would conclude in the autumn of 2010. Whatever the exact date, it will be beyond the time when people vote to choose their next Government. That is simply not acceptable, either to students or to their parents, and we deserve a clearer choice.

The Liberal Democrats reaffirm our commitment to abolish the tuition fees model of funding higher education. That model is broken. If we got into the fully variable model of the future, which is the logical conclusion of the fees model as begun by former Prime Minister Tony Blair, all sorts of social consequences will follow, including fair access to the professions, which was mentioned by several contributors to the debate.

It is crucial that the review should look at the various alternative positions, and the National Union of Students has done us a service by putting forward its idea of a graduate tax. However, whatever happens, it is not good enough for the Labour and Conservative parties to hide behind the review at the next general election and say, "We will have to wait and see."

Mr. Lammy: Will the hon. Gentleman give way?

Stephen Williams: I am drawing my remarks to a close.

Discerning voters in Bristol, West, in Reading, East or in Tottenham deserve far better.

10.40 am

Mr. John Hayes (South Holland and The Deepings) (Con): It is a great pleasure to speak in the debate and to follow the hon. Member for Bristol, West (Stephen Williams), whose speech was a powerful reminder of why the Liberal Democrats have not been in government since the days of Lloyd George.

My hon. Friend the Member for Reading, East (Mr. Wilson) did us a great service by bringing this matter to the attention of the House, and once again he has shown what a champion he is of the cause of the student voice. He speaks eloquently and with insight on higher education matters, and—I say this to reassure the hon. Member for Bristol, West—there is rarely inconsistency between us. We speak regularly about such matters, and we share a vision for higher education that is informed and inspired by a determination to widen access to people of all abilities and from all backgrounds to the opportunities that they deserve.

That is because we care about social mobility and crave social justice—a Britain without barriers to self-improvement and without limits on opportunity. Participation in higher education has a vital role in feeding social mobility and thus achieving social justice, and so in building a cohesive and just Britain. That is why our great challenge is to broaden access to advanced learning. I have no doubt that that ambition is widely shared; certainly it is by the Minister. However, as

the hon. Member for North-West Leicestershire (David Taylor) said, the uncomfortable truth is that rather than widening access in that way, the expansion in university education in the past 30 years has in some senses cemented social division. Opportunity for some has not meant opportunity for all.

Just last month, Lord Mandelson published his framework document on the future of higher education. Its proposals expose the terrible lack of progress. Even though the figures have been recalibrated and recalculated, the Government have achieved only about 43 per cent. participation in higher education. Furthermore, as the Minister knows, successful women mask failure for men. Perhaps he will comment on that.

By a consistent measure, the proportion of entrants overall has been static for most of the past decade. Even though the Government have spent an immense amount of money on widening participation programmes, under the banner of Aimhigher, the participation rate of working-class students has hardly improved since 1995. If that were not bad enough, the rate of improvement has declined. In the previous decade, participation by working-class students actually grew at a faster pace, as Lord Dearing revealed in his report.

Labour is failing because it misinterprets what widening participation really means. We heard from the hon. Member for Harrogate and Knaresborough (Mr. Willis), and others, that a myopic obsession with improving access for a small number of students to a small number of universities has meant a preoccupation with policies focused on admissions and aspiration. The difficulty with both those views is that there is little evidence to suggest that the best universities are prejudiced against working-class students.

Indeed, Higher Education Funding Council evidence suggests rather the opposite—that they favour applications from those from disadvantaged backgrounds. Furthermore, there is no evidence to suggest that working-class students do not aspire to the same things as their middle-class contemporaries. Indeed, all the survey evidence shows that aspiration is growing most among those in the lowest socio-economic groups, and that working-class parents and grandparents want the same for their children as middle-class parents; it is a bourgeois, liberal myth that the working classes have a rather different view of such things. In fact, they know that education at university or college is likely to bring better prospects, and they want that for their children, just as their middle-class contemporaries do. What they lack is the wherewithal, as my hon. Friend the Member for Reading, East so powerfully argued.

Wherewithal is a matter of the right kind of advice and guidance. Survey evidence suggests that many teachers do not point their students in the direction of university applications. The reason why fewer working-class children than middle-class children get to university is that fewer people from working-class backgrounds apply—partly because they do not get the right advice, and partly because they do not have the baseline qualifications to do so. Until we solve those two problems, programmes to encourage applications will at best be icing on the cake and, at worst, may displace the resources for dealing with those more fundamental issues.

The Government have focused on what I describe as push-me-pull-you policies. They have tried to pull more students in, by regulating—some would say interfering with—the admissions system; and they have tried to push students in through programmes focused on aspirations. However, push-me-pull-you policies do little to address the fundamental problems. Media analysis of the Aimhigher campaign suggests that its message is best received not by socio-economic groups D and E, but by group A. Those conclusions were supported by a Government study, which found

"no conclusive statistical evidence that such interventions have then led to increased aspirations to enter higher education."

Surveys show that three quarters of young people from all social groups aspire to go to university, and another survey, as I suggested a moment ago, showed that 91 per cent. of parents and grandparents want their young people to go to university, regardless of social background.

What we need, as my hon. Friend the Member for Reading, East began to articulate, is a system that empowers learners. That argument has been powerfully made by the NUS and student unions. I entirely endorse the support that my hon. Friend has offered the NUS and student unions. At university I was union treasurer and my hon. Friend was president of his student union, so there is no prejudice among Conservative Members against the student voice—far from it.

Empowering learners means that we need to use the proceeds from the early repayment of student loans to fund extra places—10,000 of them—and that is what we have said we will do. Rather than just talking about helping people from poorer backgrounds, we need policies that do so by taking firm and distinctive action. That, I would point out to the hon. Member for Bristol, West, is a quite different approach from the Government's. I do not blame the Government for having a different approach from ours. It is good democratic politics to have such debates and exchanges.

What would we do that would be so different? The first thing would be to establish an all-age professional careers advice service with a presence in every school and college. The Minister knows that just 6 per cent. of pupils in state schools at age 15 go on to study at Russell group universities, and just one in 10 of those state school entrants comes from the bottom two socio-economic groups. However, that is not surprising given that Sutton Trust research shows that many state school teachers would not advise even their brightest pupils to apply to Oxbridge. Many of those teachers with responsibility for offering that advice have not received the training that they would need to offer the best guidance. I do not blame teachers for that; we simply ask too much of them in that respect. What needs to be fixed is not the university admissions system, but the advice and guidance that young people get.

We also need to offer comprehensive advice about the employment and wage returns of courses. We need a good website to do that. Those things exist in other parts of the world. Indeed, several studies are going on in this country, and we have been looking at them closely, as my hon. Friend the Member for Reading, East is aware. We are determined to put such information in the hands of potential learners. It must be about where, how and when to study.

Employability is not just about what people study, but about how they study, a point that my hon. Friend also made. I have long argued, as he has, that we should revisit traditional assumptions about the pattern of higher education and study. We must recognise the

[Mr. John Hayes]

value of different learning experiences such as part-time courses and community based, modular and distance learning. I welcome my hon. Friend's advocacy of a credit-based approach; we are enthusiastic about considering taking that further. The fees review must give serious attention to the ways in which we support flexible means of study.

As the hon. Member for Harrogate and Knaresborough and others have argued—my hon. Friend has also championed the idea—further education colleges are at the heart of that approach. They are characterised by being local, and by accessibility and flexibility. Their cohort is typically drawn from a social range wider than that of most higher education institutions. Perhaps the Minister will explain why the amount of HE taught in FE colleges continues to decline, for it is a damning indictment that it has happened on his watch.

We also want more students to enter higher education through the vocational route. I see apprenticeships as being at the heart of that practical method, which is why we intend to introduce new vocational skill scholarships; that will allow people to go on that vocational pathway into higher education study.

The Government have based their policies on a double prejudice, and I hope that the Minister will either explain why or refute the fact. He may want to step back from that prejudice or he may wish to justify it. It is a prejudice against the university admissions system and a liberal establishment prejudice that the academic path is the only way to travel on the road to the good life.

We do not take that view. We believe that looking again at access points to learning, at modes of study, at the character of university life and at the advice and guidance that young people receive is the best way of allowing more people to achieve the glittering prizes that the Minister has achieved and to which so many others aspire.

10.50 am

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): I congratulate the hon. Member for Reading, East (Mr. Wilson) on securing this debate and on the manner in which he put his case—and on his continued support for higher education. Time will not permit me to answer every question asked this morning, but we have had a good debate.

I note the comments made by the hon. Members for Ceredigion (Mark Williams) and for Cities of London and Westminster (Mr. Field) and the manner in which they spoke. The hon. Member for South Holland and The Deepings (Mr. Hayes) was his usual consistent self. We have been meeting across the House for a considerable period over such matters, and I was not surprised this morning. The hon. Member for Bristol, West (Stephen Williams) demonstrated his most opportunistic style, but it was not worthy of the general standard of debate, and I shall return to the inconsistencies that he continues to display in relation to higher education. I believe that students, parents and the country deserve the best, and I hope that the Liberal Democrat leader is studying the hon. Gentleman's inconsistencies closely.

Few issues divide the House as clearly as higher education. The Government's record is clear. There have been year-on-year increases in public investment. In fact, we have seen a 25 per cent. real-terms rise in the public funding of universities since 1997. Large-scale increases in the public funding of research help to drive innovation and economic growth. Since 1997, the science budget has risen from £1.3 billion to £4 billion. When we talk about the success of our universities, particularly those that engage in world-class research, we should remember that it is largely the result of that funding.

We must also consider the students: more maintenance support is available to students than at any time in our history, including non-repayable bursaries for a large majority. There are more students at our universities than at any time in our history. More students from state schools are at university, and there are more students from low-participation neighbourhoods. Less well-off families are sending young people to universities, and I am pleased to say that more black and ethnic minority students are at university. I genuinely believe that that is a record of which the country can be proud. It turns the page on a past in which there was under-investment in research and in which continued growth, particularly for those from less well-off backgrounds, was not happening.

As has been said, last month, my noble Friend Lord Mandelson, the Secretary of State who has responsibility for the universities, published "Higher Ambitions"—a framework document that sets out the challenges that we believe face universities over the next 10 to 15 years. The framework was not delivered to the sector from on high; it was widely championed and supported by the sector itself. It was a product of many months of consultation; indeed, it began with a debate, with many professors from the higher education sector making a contribution. It is a good document, and it has been welcomed not only by the sector but by the CBI and the National Union of Students. It is good a platform on which to build, and I am pleased to see the hon. Member for South Holland and The Deepings nodding.

An essential aspect of the debate is widening access. We made clear in "Higher Ambitions" that that was an important challenge. Indeed, we ensured that the question of access—not only for young people, but for mature and part-time students—was central to the fees review. We have consistently said that we need greater parity of funding, particularly for part-time students, and we asked the fees review to consider the matter closely.

The document also seeks to build on foundation degrees, and it acknowledges the important role that FE can play in the transition to higher education, so long as certain quality thresholds are passed; and it wishes to build on the work of the Aimhigher programme. I am concerned that the hon. Gentleman seems to have his aim particularly on Aimhigher, but that would not be supported by all universities and certainly not by schools, which have seen an increase in applications to university as a consequence of the important range of activities that is taking place across the country. We say that there should be no artificial cap on talent.

Mr. Hayes: Will the Minister confirm that, when the investigation into the debacle of student finance this summer is completed, we will have the chance to debate the matter on the Floor of the House?

Mr. Lammy: It would be premature to pre-empt the conclusions. The report will be with me shortly. Of course I shall publish it, and hon. Members will of

course want to comment. I acknowledge that it is a serious issue, but I also acknowledge the work done by my right hon. Friend the Member for Darlington (Mr. Milburn) on social mobility, to which we will be publishing our response. We have also published our response to the work of colleagues in the Department for Children, Schools and Families on their information, advice and guidance strategy. I would ask hon. Members to read it, because much of what has been said about information, advice and guidance has been addressed there.

I turn to the duplicity that was displayed by the hon. Member for Bristol, West.

Mr. Joe Benton (in the Chair): Order. I must point out to the Minister that it would be unwise to use the word "duplicity". It is an unparliamentary term.

Mr. Lammy: You are quite right, Mr. Benton. We have seen an inconsistency between what was said by the hon. Member for Twickenham (Dr. Cable) on these matters and what was confirmed this morning by the hon. Member for Bristol, West. He now suggests that he will not support even a 43 per cent. participation rate. Does he support a freeze on fees because he sees it as a way to cut student numbers? That is what we heard earlier, but his leader has said that he could not honestly place it at the forefront of his manifesto. He said:

"You can't carry on promising the same menu of goodies."

The hon. Member for Bristol, West has to come clean with students.

Proportional Representation

11 am

Mr. Austin Mitchell (Great Grimsby) (Lab): I want to put the case for proportional representation—a system by which parties are represented in Parliament in proportion to the votes that they get in the country—and for triennial Parliaments, to keep politics on a short leash and to give the people more control over Parliament through more regular elections. I urge that those issues, particularly proportional representation, be put to the people in a referendum, which will allow them—not us—to decide whether they want them. That would preferably be done when the vote is at its highest, on 6 May next year, when the general election occurs. That would remove all the preoccupations of a hung Parliament, which is likely to follow that election. If that is not possible, I urge an early referendum on proportional representation.

I want to emphasise that securing this debate is not political opportunism. I am not a member of the Cabinet—nor of the shadow Cabinet, yet—and there are only a few months to go. I must, therefore, be absolved from the sins of opportunism, which afflict people at a higher level. Opportunism is not a Back Bencher's disease—it is certainly not mine. I want and urge proportional representation, because it is right and because it is a much fairer system than the one we have now.

To further rebut the charge of opportunism, I have been in favour of proportional representation ever since I was elected to the House 32 years ago, and that is a long time. When I was first elected, I joined the Labour campaign for electoral reform and—incredible though it now seems—the bulk of support for electoral reform at that time came from the Conservative party, which wanted proportional representation to keep out socialism and Tony Benn. There has been a volte-face since then. Parties have changed their opinions on the issue very much in common with how they have changed them on Europe and the European Union. My rise within the cause of proportional representation was rocket assisted; as soon as I joined the Labour campaign for electoral reform, all the other members left to join the Social Democratic party, and I rapidly became chair and sole member. Those are my credentials; I have always supported proportional representation.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I understand the hon. Gentleman's passion for proportional representation, but why is he raising the issue when so many other pressing matters face our country, not least the economic situation? He represents a coastal constituency, and it is almost as though he is talking about what colour he is going to paint the deck while the ship is going down.

Mr. Mitchell: That intervention is largely irrelevant. I am raising the issue because it clearly is topical and important, because if we have a hung Parliament after the next election it will play a part, and most of all because all the other issues that we have to decide need to be decided on a fair basis, and that can happen only if the House represents the party allegiances and political preferences of the electorate. That is why I secured the debate. The issue is pre-eminent, simply because we need to make the House more representative of the nation's views.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab) *rose—*

Mr. Mitchell: I am going to get further confirmation now, I think.

Mr. Donohoe: I am not so sure. I congratulate my hon. Friend on securing the debate, but perhaps he has not had the experience that we have had north of the border of how proportional representation affects us and the constituents that we represent. Had he had that experience, I do not think that he would be on his feet today.

Mr. Mitchell: I certainly would. I accept that Labour party members in Scotland feel a certain amount of grievance, but they have to remember that proportional representation was introduced in Scotland to stop the system being swamped by the overwhelming dominance of the Labour party there, both in seats and political preferences. It was introduced to make the system fairer and to give other parties representation, and it has produced a coalition Government. My hon. Friend will probably tell me that it was a system in which whatever Jim Wallace wanted, Jim Wallace got, but since the people have voted effectively for a coalition Government, what could be fairer?

I do not think that the views of Labour party members in Scotland are relevant to the decision on the national system of proportional representation that I am urging. I accept that it is difficult to sell the system to Members of Parliament, because they tend to believe that whatever system elected them must be the best in the world, and that has been responsible for a lot of hostility to proportional representation. Our current system is not the best in the world. We could have a fairer system in which Parliament was constituted how the people wanted, based on their votes, and in which they therefore had an investment and felt that it was their Parliament, rather than one imposed on them by the electoral system.

I concede straight away, and it could be argued in this debate—I see a number of opponents of proportional representation rallying to the cause—that first past the post gives strong government. Strong government is appropriate to an empire, to war and to a country that wants to go around invading smaller countries, but not to an age when the people want more say in and influence on Parliament, and want it to respond to their views.

People want to identify with a Parliament that they have voted for. It can be argued that first past the post is appropriate to a two-party system, but that system is now much weaker than it was. In 1951, 97 per cent. of the electorate voted for one of the two main parties, but in the last European elections that proportion was about 44 per cent. Party dominance is inevitably weakening, and first past the post gives strong government by disfranchising huge numbers of the people.

Mrs. Eleanor Laing (Epping Forest) (Con): Am I right that the hon. Gentleman just said that 97 per cent. of the electorate voted for one or other of the two main parties? Does that not mean, therefore, that 97 per cent. of the electorate wanted our country to be governed by one or other of the two main parties, which it is? Is that not representative democracy?

Mr. Mitchell: It certainly meant that in 1951, but that is long ago. Since then, all that has changed. At the last European elections, as I said, only about 44 per cent. voted for one of the two main parties. What do we do in that situation with first past the post, which is bound to give an unclear result? First past the post gives strong government by effectively disfranchising large numbers of the people. It disfranchises a large number of people who vote for the third party, the Liberal Democrats; anybody who votes for a minority party, because they do not have the representation that their vote should entitle them to; and, in most constituencies, people who vote for the minor, or losing, party. No wonder people feel that the current system does not represent their wishes.

Mr. Donohoe: Surely the greatest statistic of the last European elections was that less than 50 per cent. of the people voted. If we were to address the situation differently, we would look at why people are not voting at all.

Mr. Mitchell: That is true. It is my contention that proportional representation would increase the vote. I am afraid that that has not be shown in this country, but it has been demonstrated in countries that have turned to proportional representation, such as New Zealand and West Germany. We need a fair system. We must accept that first past the post is wanted by the leadership of the parties and many MPs because it is the basis of elected dictatorship, which is the system of government that we are lumbered with. It is a system in which our Government effectively drive a steamroller over issues.

In career politics, people love to climb aboard a steamroller, but the Government are all-powerful in such a situation. It is a top-down system in which decisions are taken on the sofas of Downing street, the Cabinet are effectively a ratification machine for those decisions and MPs are treated like sheep as they are driven into the Lobby to vote for the decisions that are taken by that small minority in Downing street.

Daniel Kawczynski: Will the hon. Gentleman give way?

Mr. Mitchell: I hope that the hon. Gentleman is going to defend such a system.

Daniel Kawczynski: The hon. Gentleman has used the word "fairness" a great deal throughout his speech. He knows that the vast majority of seats in the United Kingdom are either Conservative or Labour. If we had the alternative voting system, Liberal Democrat voters would always get a second vote, so he would create two classes of voter. Labour and Conservative voters would have only one vote, but Liberal Democrats, coming third, would always have a chance to cast a second vote. It would be simply wrong and absolutely disgraceful for some citizens to have two votes when others had only one.

Mr. Mitchell: The hon. Gentleman is in favour of fox hunting, because at the moment he is shooting dead foxes. Such a situation would be the result of the alternative voting system where people listed candidates in order of preference. It might well be that the Liberal Democrats are everybody's second preference, because they are such a nice, warm, cuddly party.

Stephen Williams (Bristol, West) (LD) *rose—*

David Howarth (Cambridge) (LD) *rose—*

Mr. Mitchell: No; the Liberal Democrats are cuddly, but I do not want to cuddle them at the moment. In proportional representation, everyone has two votes—one for the constituency and one for the list. Everyone has that right, whether they vote for one of the minor parties or for a major party. This parliamentary despotism of the elected dictatorship has inflicted damage on public perceptions of Parliament. It is one reason why people are so hostile to, critical of and alienated from the current system. Such feelings have been exacerbated by *The Daily Telegraph* and will be further exacerbated by the lunacy of Legg and his decision to throw us to the lions retrospectively, but I do not want to go on about that.

Proportional representation is one of the few ways to remedy the situation and restore respect for Parliament, because it gives the people the Parliament they vote for, puts the parties on a short leash and abolishes the elected dictatorship. However, that could mean that we have coalitions, like Scotland. The system led to coalitions in New Zealand and West Germany, but not in Sweden, where there has been a long-term dominance by the Social Democrats.

What is wrong with coalitions if that is what the people vote for? As it is, the betrayals come before the election as major parties dilute everything they stand for to develop a catch-all appeal. With coalitions, the parties that the people elect have to compromise on policy to form a Government. That seems to be a perfectly sensible system that reflects the views of the people.

John Mason (Glasgow, East) (SNP): Given that a coalition or a minority Government need support from other parties on particular issues, does the hon. Gentleman not agree that that leads to decision making that has broader acceptance among the public?

Mr. Mitchell: I am grateful to the hon. Gentleman for making that point, because it is absolutely true. Experience in New Zealand suggests that those coalitions have to be formed and reformed on every piece of legislation. There is no one permanent coalition that imposes its views on the people, because a majority in Parliament has to be built up on each piece of legislation and coalitions have to be formed around that legislation. In other words, every piece of legislation is wanted and develops maximum support. That is a fairer system than steamrolling legislation through, as we now do, on the basis of the party majority that represents some of the views of the people and was elected five years previously. I am all in favour of coalitions, both around legislation and in general.

As for the point made by the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), people would have two votes if we adopted the additional Member system—one for the list and one for their constituency. That would force the parties to stop concentrating most of their campaigning on a few marginal voters in a few marginal constituencies and ignoring the rest of the country, particularly the safe seats. Grimsby is no longer a safe seat, although that is not my achievement, but in the past it was largely immune from national campaigns, which allowed me, in previous elections, to formulate my own policies, put out my own manifesto and conduct my own campaign without interference from the central party.

The central parties ignore the so-called safe seats and concentrate everything on the marginals. Under the additional Member system, that would no longer be possible. Experience in New Zealand has shown that it is necessary to campaign everywhere, particularly in the safe seats, because the party majority is bigger there and it is essential to get all those votes out to affect the voting on the list side of the equation. Therefore, such a system makes campaigns genuinely national and for all the people.

Mrs. Laing: I thank the hon. Gentleman for giving way on that specific point. Is it not the case that under the current system, the hon. Gentleman, who is undoubtedly an individual, can go before his electorate in Great Grimsby and put himself forward as a person with a list of principles on which he stands to be elected? If he was not that individual but was someone on a party list under a proportional system, he could not exercise his own individuality. He would have to adopt what his party said on the party list. He is arguing against his own individuality, which brings great value to this place and to his constituents.

Mr. Mitchell: I am afraid that that point is also incorrect. I agree that it is very kind of the Grimsby Labour party to select a geriatric as its prospective parliamentary candidate; it is being kind to the aged, and I am eternally grateful for that. The point is that with the additional Member system, half or more of the seats are constituency seats, and the old rules apply. In other words, people would be elected on their own merits. It is essential for the parties to put forward the most attractive people on the list in the hope of winning votes, which is exactly what they do—whether they are independent or beautiful or whether they are Jordan or Katie Price.

Stephen Williams: I thank the hon. Gentleman for giving way; he is now being proportional in granting interventions as well. Does he agree that the system of proportional representation that allows the voter to make discerning choices between candidates is the single transferable vote?

Mr. Mitchell: I agree. I am coming on to that now. The candidate would appeal in his own way to his own constituency. However, that is a question of what system of proportional representation we would use. I do not want to get bogged down in an argument about which system is best; I have my own views. The most attractive system is the additional Member system, or MMP—the mixed Member proportional system—as it is called in New Zealand, in which half the MPs are elected on a constituency basis and half on a list basis, which would shrink the number of constituency seats. I notice that the Conservative party proposes to abolish a substantial proportion of our seats without any referendum or any consultation with the people or the electorates affected, so it cannot complain about the reduction necessary with MMP.

The additional Member system represents the current situation. Some among us are devoted constituency MPs, perhaps because we will not rise any further and have reached the limits of our prowess. That is not true

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in my case, but it is for many. However, for those who see themselves as ministrable—men or women of destiny who will rise to high office and cannot wait to get there—the seat is merely a stepping stone to power. Those are the two types of Member, and the additional Member system represents them by allowing the ministrables to appear on the party list.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my hon. Friend for giving way, and I am sorry to have missed the first few minutes of his wonderful speech. Does he agree that the best way to deal with the accusation that an elected person on the list was just a party hack would be to ensure that only members of the party in a clear geographical area could choose the make-up of the list? That would get rid of the nonsense of people being imposed from the centre.

Mr. Mitchell: I agree absolutely that that is the way to do it. The weakness of the current system is the way candidates can be imposed on constituencies by moving somebody to the House of Lords—I have to tell this Chamber that I have not yet received an offer—or by bringing in young men and women of destiny, who have worked in Downing street or for Ministers or think-tanks, and who have had no contact with the real world and real people. My hon. Friend's suggestion is therefore exactly right.

Another system is the single transferable vote, which is used in Ireland. It would mean larger constituencies, each with three or four Members. That is the preference of the Electoral Reform Society, although I am not sure whether it is the preference of the Liberal party. That is one alternative. The third possibility is that recommended in the Jenkins report, which is best described as the alternative vote plus. In other words, there would be a top-up of 15 to 20 per cent. of the constituency part of the vote, which would represent the majority—80 or 85 per cent.—to introduce greater proportionality.

Any of those systems would do, and any would be preferable to the current system. My preference is the New Zealand system. That is largely because I am an apprentice New Zealander, although the hon. Member for Mole Valley (Sir Paul Beresford) is a real one. That system has worked very well. It was initially opposed by Prime Minister Helen Clark and the Speaker, but both are now converted because the system works so well, ensuring that legislation is wanted and has the consent and support of the great majority of the House, and therefore of the electorate.

The New Zealand system was introduced after two referendums. Politicians there were so anxious to support first past the post that they erected two hurdles for the electorate to jump. However, the electorate were ready to jump those hurdles because they felt betrayed by both parties, as indeed they were. Similar feelings of antagonism to the political parties are building up here, and our electorate may well be prepared to jump. The system has worked well in New Zealand, and I believe it would work well here.

Daniel Kawczynski: I am enjoying the hon. Gentleman's speech, but so far he has failed to mention one important matter—the fact that all the systems he has spoken of would empower extremist parties and allow them into office. What is his view on that? He has not yet broached the subject.

Mr. Mitchell: That is just not so. Extremist or daft parties—from time to time, it seems that such descriptions could also be used of the majority parties—can be kept out by a threshold. They are not kept out in Israel, but should be. However, they are kept out in Germany; those who gain less than 5 per cent. of the vote have no representation. It is a simple expedient to keep out fascist or lunatic parties, which at the moment are perfectly free to stand and put their case before the people, and even to win seats in European elections.

I was praising the New Zealand system and saying that one system that I would not support is the alternative vote, which is used in Australia. It would not be acceptable here. That is not because it is Australian—some of my best friends are Australian—but because it is a daft system. It is a half-baked compromise, which has been espoused by a number of people, including Cabinet Ministers, who want to show themselves as being sympathetic to the growing demand for proportional representation but who are terrified to take the final step and introduce a system that is proportional. They therefore rally round the broken flag of the alternative vote. They show concern but will not do anything.

My beloved Prime Minister's preference for a referendum on the alternative vote is daft. To put it simply, it would be a vote on nothing at all—a vote for those who do not want electoral reform or who do not want proportional representation. I would have to include my right hon. Friend the Secretary of State for Justice and Lord Chancellor among that coterie, so determined is he not to have proportional representation. I do not know why he fears it, but when he was forced to introduce it for the European elections he brought in the worst possible system—the closed list. That was done deliberately, with the concurrence of the Liberal Democrats, to invalidate the case for electoral reform and proportional representation. He is now talking of giving us proportional representation for the House of Lords. That would make the Lords the more representative House, but he will not give us the alternative vote for the House of Commons. It would be a disaster.

I must come to a close, Mr. Benton, and I am sorry for having gone on a little too long. The conclusion is simply this: it is no use the advocates of first past the post, who are gathered here in huge number to put the case against me and destroy my argument, saying that their system is the best in the world and that we should keep it. That is not true.

Proportional representation is a much fairer and better system, and it would alleviate much of the discontent and alienation that are directed not so much against Parliament, but against the party system and the elected dictatorship, which are sustained by the first-past-the-post system.

This is not a question of us arguing about the types of system that would suit our purposes once the people have given their consent; such information is available from the Library. Today, I want to establish the case for putting the question to the people, and that is about democratic rights, and the nature and workings of producing a fairer system. It is the people's decision, not ours.

Several hon. Members *rose—*

Mr. Joe Benton (in the Chair): Order. I propose commencing the winding-up speeches at 12 o'clock. A number of Members have indicated a wish to speak, so would right hon. and hon. Members bear that in mind?

11.29 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing this important debate.

I have worked closely with the hon. Member for Central Ayrshire (Mr. Donohoe). He is a good friend, although I hope that saying so will not get him into trouble. We are the joint chairmen of the all-party group on the continuation of first past the post, and we feel passionately about that voting system. Interestingly, Scottish Labour MPs make up the largest number of members of the all-party group and it is very important that the Minister takes note of that. Those MPs have seen at first hand the chaos and mayhem that the voting systems have brought about in Scotland and there has been deep confusion in previous elections because of the different voting systems that have been put in place. Our all-party group recently had a debate about these issues here in Parliament with the Electoral Reform Society.

I go back to what I said in my first intervention today. Given all the problems facing our country at the moment, including the economic crisis, I am deeply concerned that organisations such as the Electoral Reform Society, and hon. Members, should be pressing for this change in the voting system. That is such a distraction from all the things that we need to be addressing as parliamentarians.

Mark Williams (Ceredigion) (LD): I thank the hon. Gentleman for giving way. He speaks with great passion on these issues. However, does the "chaos and mayhem" to which he has alluded extend to Wales? In Wales, we have had for 10 years an additional Member system and stable government, although at the moment the Government are not of my choosing; now we have a Labour-Plaid Cymru Administration, whereas previously there was a Liberal-Labour Administration. Above all else, in Wales we have had a clear programme of government negotiated by the parties in the full public gaze. That inspires confidence in the system rather than creating the "chaos and mayhem" to which the hon. Gentleman alluded.

Daniel Kawczynski: I shall come to coalition Governments later in my speech. Ultimately, however, I do not know whether the coalition Government of Labour and Plaid Cymru are delivering for the people of Wales as the hon. Gentleman seems to be suggesting.

Constituents come to see me in my surgery and I talk to them on their doorsteps. In nearly five years, not a single one of them—and there are 74,000 in all—has said to me, "You know, Mr. Kawczynski, I really want a change in the voting system; if there is one thing I want you to press for in the House of Commons, it is a change in the voting system." What they do talk to me about is the Royal Shrewsbury hospital, funding for our schools and all the other things that affect them day to day. Not a single one of them has called for a change in the voting system. If a single constituent had written to me on the issue or had taken the time to come and talk to me about it, perhaps I would have a little more sympathy with it.

David Howarth: That is not my experience in Cambridge, so perhaps the hon. Gentleman might come and visit my constituency at some point to talk to some people who understand that politics and other issues are connected. We cannot separate the political system from the content of the politics that it delivers.

Daniel Kawczynski: I am only giving the hon. Gentleman my own experience as a Member of Parliament in Shropshire.

Mr. Drew: I tested the feeling on this subject in my constituency, on the basis of having been elected to the parliamentary reform Committee. I wrote to all my constituents. I must say that there was a very narrow result, but I received more than 7,000 replies. People came down narrowly in favour of electoral reform. However, more than anything, I learned about how many people wanted a debate on the subject and more information about it. It is wrong for the parties just to shut this issue down. There is a yearning among people for at least a look at what would be involved if there was a proper debate on electoral reform.

Daniel Kawczynski: As I said, I only want to give the Minister the benefit of my own experience from Shrewsbury.

At the moment, we have a crazy number of voting systems in the United Kingdom. Last week, I had a meeting with Mr. Wardle, the chief executive of the Electoral Commission, and I put to him some of these issues. He said to me that it is not for the Electoral Commission to decide which voting system we have and that he would feel uncomfortable in trying to come up with any system. He added that it is obviously the responsibility of Parliament to decide on the voting system and that the Electoral Commission would have to work under that system.

However, Mr. Wardle said something else that I found interesting. He admitted to me that there were far too many voting systems in the United Kingdom—that was the chief executive of the Electoral Commission speaking. He said that in no other country in the world are there so many different types of voting system. That is a very powerful thing for the Minister to take away from today's debate; even somebody as senior as the chief executive of the Electoral Commission is concerned about the confusion and the complications that are arising from all the different voting systems put in place by the Labour Government in the past few years.

The first-past-the-post system has served us well. The constituency link is essential. When I go to my electorate in Shrewsbury, I put my case directly to them. What would happen under PR, one of the other systems? We would have to hide our views. What would happen if we had the alternative voting system, which, as has rightly been said, is the Prime Minister's preferred option? One would have to be far more cynical and hide one's views, because one would always know that neither the Labour party nor the Conservative party would win. It would always be down to Liberal voters to be the king-makers and decide which party would get enough votes to take it over 50 per cent. One would have to blunt one's

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ideology, passion and beliefs to placate those Liberal Democrats and ensure their second vote. I feel passionately against the second vote; I will come to that in a moment.

Stephen Williams: In my constituency, the Conservative party came third in 2001 and 2005, so it is Conservative voters to whom I will be appealing to ensure that a non-Labour MP is elected in the next general election. On the point about secrecy, does the hon. Gentleman think that Angela Merkel hid her views from the German electorate?

Daniel Kawczynski: I am not going to start talking about Angela Merkel. This debate is about our own voting system in the United Kingdom. Far more seats are Conservative-Labour battlegrounds than Conservative-Liberal Democrat battlegrounds.

Why should the Liberal Democrats get a second vote? That is the most important point that I want to make. We cannot have a system in which people who vote for the Liberal Democrats or other minority parties get a second crack of the whip or bite of the cherry. Every citizen in the United Kingdom must be treated equally, and everyone should have a single vote.

The hon. Member for Great Grimsby suggested that we should have large seats with multiple Members. I cannot think of anything worse. If we did have such a situation, I certainly would not be prepared to be a Member of Parliament; I would have serious difficulties in continuing to be one. I feel passionately about my constituency of Shrewsbury. All that I care about is representing the people of Shrewsbury. I am accountable to them. They know how I vote and come to see me in my surgery. I am responsible. Being one of four, five or six Members across a large area would be completely meaningless and involve no accountability whatever.

Mr. Austin Mitchell: I remind the hon. Gentleman that Conservative party policy is to reduce the number of seats, so his seat will be bigger anyway. He is concentrating on the constituency issue. Let me make it clear that I agree with all that he says about the joys of representing a place. Representing Grimsby is the chief joy of my life. It is wonderful. I love it, and I represent a community in a borough that would continue under the additional Member system. We would have somewhat bigger constituencies, as the Conservatives are proposing anyway, but we would still have the same constituency base.

Daniel Kawczynski: The hon. Gentleman is correct to say that the Conservatives wish to reduce the number of seats by about 60, but that has nothing to do with the voting system; we would merely cut the number of seats. I disagree with him. He and I both represent communities of roughly 74,000 constituents. We just about do the job of representing those 74,000 constituents with the resources available, but I could not possibly have the same interaction and accountability if I were one of six Members of Parliament representing a much larger area.

I turn to the European Union elections. The hon. Member for Central Ayrshire said that the elections had a poor voter turnout and asked why. It is a good question. It is simply because there is no accountability. I have said many times to the people of Shropshire, "I will give anybody in this room £100 if they can name me two Members of the European Parliament who represent us." So far, in five years, I have not lost a penny. No one knows who those Members of the European Parliament are, because none of them lives, works, has offices or holds surgeries in Shropshire. Those MEPs have no accountability whatever to the people of Shropshire.

I must tell the hon. Member for Great Grimsby that the west midlands is larger in size and population than many EU countries, such as Latvia, Lithuania and Estonia. How on earth can one be a coherent and accountable representative of an area of that size if one does not at least live in the community? I feel strongly that if one wants to represent the people of an area, one should at least live in that community and be part of it, because that way one will understand the local services and be part of the emotional drive for that community. The representatives in the European Parliament live hundreds of miles away with absolutely no accountability.

Mr. Drew: Is the issue not even simpler than that? People do not vote in those elections because they do not see the faintest relevance of the EU to their lives.

Daniel Kawczynski: That is a completely separate matter that we will discuss another time.

I will end shortly, Mr. Benton, because you said that many hon. Members wished to speak. I will return briefly to the election of the two members of the British National party to the European Parliament. I do not know about the hon. Member for Great Grimsby, but I had shivers going down my spine when I found out that they had been elected. I am a democrat and believe that people should be allowed to stand as representatives no matter what their views are, but I am very concerned about any system that allows a party such as the BNP to get representation.

David Howarth: BNP members of local councils have been elected by the first-past-the-post system, so does what the hon. Gentleman has just said not apply equally to that system?

Daniel Kawczynski: Being elected to local councils is very different from being elected to a national Parliament, or, in this case, the Parliament of the whole European Union.

As part of our duties as joint chairmen of the all-party group, the hon. Member for Central Ayrshire and I visited the Scottish Parliament in Edinburgh together and interacted with MSPs to hear at first hand some of the problems that they had faced as a result of PR. What was fascinating was that even the two Green party MSPs, the king-makers who at one stage prevented the Scottish National party budget from going ahead, said that they felt the current system was unsustainable.

Lastly, I have a point to make about the Liberal Democrats, and I have been looking forward to making it. No wonder they are here in such large numbers. I feel passionately that one must always put one's country first, one's constituency second and one's party third, but the Liberal Democrats have always pushed the issue of PR on a purely party political basis to further their own cause. I think that it is such a shame that they are

trying to force the issue through simply to get more Liberal Democrat MPs elected. That is absolutely unforgivable.

I hope that the Minister will take on board my concerns and that he has realised how passionately I feel about the issue. Never in the five years during which I have been a Member have I been so worried about a single thing going ahead under the Labour Government as I am about the possibility of their changing the voting system. We must safeguard the first-past-the-post system, which has nurtured our democracy and helped it thrive all this time. We must not endanger it.

11.44 am

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): Thank you, Mr. Benton, for allowing me to speak, although I will do so briefly because the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) has of course mentioned most of what I would have said—as joint chairmen of the all-party group on the continuation of first past the post, we speak as one. However, I will make some additional points.

I have the experience at first hand, along with the hon. Member for Glasgow, East (John Mason), of the Scottish situation, although I probably have a different point of view from his. Having been here longer than him, and seen the Scottish Parliament from its birth, the whole question of running it is a joke and not in the best interests of the people that we represent. I shall make a further point about that as I go through my speech. There is no doubt that what is imperative—and changing the voting systems has not made a jot of difference—is voter turnout. I have already made an intervention about that, on my hon. Friend the Member for Great Grimsby (Mr. Mitchell), who secured the debate. However, unless and until we overcome that problem, democracy itself will be the loser.

John Mason: Does the hon. Gentleman accept that one of the big advantages in Scotland has been that, where there was a safe seat, of whichever party, and a sleepy MP, MSP or whatever, such people have had to wake up and really work for the electorate, because they are competing with other politicians?

Mr. Donohoe: That does not apply in my case, as my vote keeps going up—but let us move on.

Voter turnout is the most important element that we should be addressing and doing something about, not changing systems. My hon. Friend the Member for Great Grimsby mentioned New Zealand, but I have seen that system at first hand, as I am sure other hon. Members have. It reminded me a bit of the trade unions in the '60s, in which I played a fairly significant part, with all those smoke-filled rooms. All that I saw at first hand in New Zealand was the Speaker, who was of the Labour party, trading with all the minority parties in order to get any business through the House. The Prime Minister was his puppet. If someone tells me that that is a great system, I will tell them that I do not believe in it and that it does democracy no good.

Another interesting thing, which I have mentioned previously and which I thought the hon. Member for Shrewsbury and Atcham was going to mention when he addressed the Liberals, was that at one time the Liberals opposed proportional representation. Guess why? Because they were in Government. In 1921, they voted down proportional representation in this place. If we check the facts, we will find that to be the case, which goes back to the point of the hon. Member for Shrewsbury and Atcham—self-interest. The Labour party must be the only party that has given away so much influence and power during its period in Government. For that to be the case is absolutely ridiculous.

Stephen Williams: Is the hon. Gentleman proud of all the decisions that the Labour party made in the 1920s?

Mr. Donohoe: I was not around in the 1920s, it may be a surprise to know. However, let us look more closely at the systems in operation in Scotland, which are confusing the public completely—I have seen women coming from polling stations crying because they did not understand the system and had not voted as a consequence.

In local government north of the border, what are we seeing today? Cuts. Why are we seeing cuts? Because the SNP Administration in Edinburgh is attempting to take back power. Devolution was supposed to do the opposite, but just this weekend we heard that if schools do not get into order, the Administration will take back the powers to Edinburgh. That is fundamentally wrong and against the whole spirit of devolution. Devolution is not a one-way process, but should be taken right down to the lowest level—if need be, to the parish council.

John Mason: Does the hon. Gentleman accept that one of the reasons that we are short of money in Scotland is the Edinburgh tram system, which was supported by Labour, the Conservatives and the Liberal Democrats, thereby defeating the Scottish Government? Although I consider it a waste of money, it was a good thing in a sense, because the issue showed that the Government could be defeated.

Mr. Donohoe: I am not sure that I want to go down the road of transport in a debate with the hon. Gentleman. The whole question of what the SNP Administration have done to transport, in particular to the link with Glasgow airport, is not the strongest point that he might want to make.

I will try to make another couple of points before I close. The hon. Member for Shrewsbury and Atcham again made the point about Europe. I re-emphasise that case: I cannot name or even number the Members of the European Parliament representing Scotland. I do not know where any of their offices are, what they get up to or whether they are doing anything at all, but I know one thing—in this place we have 70 per cent. of the legislation coming from Europe to look at, because it has not been looked at as it might be by the scrutiny committees in Europe. That is wrong.

My final point is on the Scottish added list system, which my hon. Friend the Member for Great Grimsby mentioned. He tried to suggest that that system was likely to lead to no party hacks being elected. I do not suggest that my ex-hon. Friend George Foulkes is an honourable hack, but that is a classic example of somebody, who did not even think that he was going to be there, standing on the added list and being No. 1. He represents a swathe of Scotland and can sit there and twiddle his thumbs and be down here in the House of Lords.

[Mr. Donohoe]

I suggest that that is not a system that would or should be supported. I have always believed in this place and, before I came to it, that first past the post is the way forward. It is the best and most representative system as far as my constituents are concerned. Like the hon. Member for Shrewsbury and Atcham, I have not had a single person in my constituency, other than the chattering class people, come to me and make any argument for me to change my point of view.

11.51 am

Sir Paul Beresford (Mole Valley) (Con): I shall be as quick as I can, Mr. Benton. I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing this opportunity. When I saw that he was speaking, I had a funny feeling that he would refer to New Zealand and MMP, so—turning my accent up—I thought that I might just look at that a little.

Just before the referendum, I arrived in New Zealand and, as is New Zealand's wont, I was shunted on to a radio station to do a three-hour talk-in, and of course the major thing being discussed was the impending referendum. Two things came out. The first was that the dislike of MPs at that stage in New Zealand was even greater than it is here at the moment, and the belief was that, in turning to MMP, it would have fewer MPs. Of course, that was wrong. Secondly, I became very aware that most of the people whom I spoke to on the streets and on that three-hour radio programme did not understand the system or what they were voting for and just wanted a change for the sake of change.

It did not work, of course. The first MMP Parliament in New Zealand increased the number of MPs from 99 to 120. Many New Zealanders were deluded by the idea of "fair votes" and were unaware until the results of that first election came through that they were virtually guaranteed a hung Parliament. That hung Parliament had the usual horse trading, and people slowly began to realise that they had a Government for whom not one single voter had voted—none of them voted for the Government they got.

The second thing that hit people was the proliferation of minor and often obscure parties, which ranged from the extreme left through to the extreme right. As ever with a hung Parliament, all those minorities had ambitions of being the controlling minority member of a minority Government—in other words, the tail that wagged the dog syndrome.

Mr. Austin Mitchell: I think that the hon. Gentleman is bringing back a very biased report from New Zealand because, first, all the minority parties came into being before proportional representation was introduced. They were the result of party splits under the old first-past-the-post system. Secondly, the essence of his argument seems to be that New Zealanders were stupid, deluded or conned into voting for proportional representation. Surely he cannot be saying that.

Sir Paul Beresford: The hon. Gentleman is right: I am not saying that. I am saying that the system was so complicated that it was extremely difficult for people to understand. The various arguments that were presented confused them, and some of them, particularly for the fairer votes system, were basically wrong.

For the first such election, in 1996, the New Zealand First party, led by a gentleman called Winston Peters, campaigned extremely vigorously against the Bolger National party or conservative party Government. The election results produced a hung Parliament. There were eight weeks of haggling, after which Winston Peters did an about-turn and agreed to join the National party in government, giving it a majority of one. Winston Peters was leader of New Zealand First and an elected Member, but he always had the security of knowing that if his electorate dispensed with him—which they eventually did—he could return as a list MP.

Subsequent elections resulted in further hung Parliaments, with a Labour Government led by Helen Clark that was supported by the Greens on the left and by Winston Peters, who had changed sides, and his party on the right. Every election resulted in a considerable period of haggling between the parties for the votes of those few seats controlled by the minority parties.

Until the last election, Winston Peters and New Zealand First showed the remarkable ability of political shoe-shuffling without so much as a blush, chopping and changing allegiances so as to be in government. Under the last Labour Government, which was led by Helen Clark, Winston Peters was rejected by his electorate, returned as a list MP and obtained power in the Labour Government as a Foreign Minister outside the Cabinet who did not take Cabinet responsibility. That was a ludicrous situation, but it happened under the system that the hon. Member for Great Grimsby believes works. The result at the very last election was a National party Government in coalition with minority representatives but not, fortunately, with New Zealand First.

As I have said, in the original referendum New Zealand voters were under the impression that, if they did not like MMP, they could have a second referendum. Unfortunately, the only promise made in that direction was a review by a select committee, and of course "turkeys at Christmas" came into effect. As part of its election manifesto, the current National party has promised a further referendum. However, it worries me that the complications of the electoral system will again not be fully understood. Nevertheless, the result will be interesting. I found on a visit to New Zealand shortly after MMP had appeared in its first election that it was exceptionally difficult to find anybody at all who would own up to having voted for it, because people disliked it so much.

Although this country does not have proportional representation, we have had recent cases of hung Parliaments; Parliaments where the Government have been stitched together with minority support. Both the Conservative party and the Labour party have been guilty of that. To my mind, none of those coalition Governments have been successful.

In these times in particular, I feel that we have to retain the first-past-the-post system and hopefully single-party Government. The economy in this country is dire and the situation in which a minority party wagged the dog and was unable to take difficult decisions would mean doom for this country.

Mr. Joe Benton (in the Chair): I call John Mason. May I just point out to him, however, that we are hoping to start the winding-up speeches from 12 pm?

11.57 am

John Mason (Glasgow, East) (SNP): Thank you, Mr. Benton. I think that it was unfortunate that the first Back Bencher to speak in the debate took 15 minutes out of the allotted 30.

If I can be brief, however, I just wanted to speak very much in favour of proportional representation, from the Scottish and Glasgow experience. I have been elected five times since 1998, which I suspect is more times than Members here have been elected in the last 12 years. I have been elected four times under first past the post and once under single transferable vote, which was in a four-member ward. I remind Members here that, to be elected in a four-member ward, someone needs 20 per cent. of the vote under STV, which largely excludes smaller and minority parties. I would like to see five-member wards; I think that that is a better system. In a five-member ward, someone would still have to pass the hurdle of achieving 17 per cent. of the vote to be elected.

In January 1998, I was elected under the first-past-the-post system to Glasgow city council. I was the only non-Labour person at either council or Westminster level in the whole east end of the city, so the area was a bit of a one-party state. That is the danger of first past the post, that we end up with these one-party states. If someone has a good relationship with their councillor or their MP, that situation can be very good; if they have a bad relationship with them, the situation can be very bad and they have nowhere else to go.

In 1999 in Glasgow, there were elections for 79 councillors. Labour got approximately 50 per cent. of the vote, but took 74 of the 79 seats, giving them 93 per cent. of the seats on the council. Meanwhile, the Scottish National party, which got about 30 per cent. of the vote, took only two seats and was the second largest party on the council. Even Labour councillors would admit that that situation was not a success. There was no proper scrutiny in the council or in the committees, and my colleague—my fellow SNP councillor—and I ran around trying to look like a crowd.

We started to have proportional representation in Scotland in the Scottish Parliament elections in 1999; that was a form of PR. Alternative vote is such a tiny step that it is hardly worth looking at. The Scottish Parliament has this additional Member list system, whereby a city such as Glasgow has 10 constituency MSPs and seven list Members. That system is not ideal; it still favours the constituency MSPs and creates a bit of a two-tier system. However, it does mean that if someone's constituency MSP is not working for them, they have the opportunity to go to a list Member.

What has happened in practice in the Scottish Parliament is that there are four larger parties, and so far we have had two coalitions and one minority Government. There is a tendency for decisions to be made with broader support in the Parliament, with two parties, such as Labour and the Liberal Democrats, or, now, with the SNP and whatever party would give support. Labour had to compromise to get Liberal Democrat support, most notably in introducing PR for Scottish local government elections.

[Mr. David Amess *in the Chair*]

The other argument has been that a small party could hold larger parties to ransom, but that has not been our experience in Scotland. It appeared to be the case, as has been mentioned, with the Greens, when two brought down the Scottish Budget, but they overplayed their hand, and when the Budget eventually went through with Labour support—and, I think, almost all-party support—the Greens were left nowhere, so a small party like that is taking a lot of risks in acting in that way.

There was a step forward in 2007 with the local government elections in Scotland. I thank the Liberal Democrats for that achievement. In Glasgow we had 79 councillors, but with 21 multi-member wards, and three or four members in each, there is a much better range of representation.

12.1 pm

David Howarth (Cambridge) (LD): I welcome you to the Chair, Mr. Amess. I thank the hon. Member for Great Grimsby (Mr. Mitchell) for obtaining the debate. He has been a supporter of proportional representation for a long time, and his enthusiasm is undimmed by the years. He put the case in terms of fairness, and there is definitely a case for PR on those grounds, but there is also a case based on confidence in politics. To come back to the point made by the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), the current relevance of the debate lies in the fact that we are in a political crisis—a crisis of confidence in politics itself—and the existing electoral system is part of the crisis.

To deal first with fairness, hon. Members who support the first-past-the-post system are very fond of accusing parties that might benefit from a different system of arguing from their own interest. Of course, that also applies the other way around. Members who are here because of first past the post, but who would not be here under the proportional system are also arguing from their own interest. Fairness cannot be judged in that way. It must be judged by other means, and the obvious way to do that is to imagine, as a thought experiment, a situation in which we did not know how popular our views would be with the electorate and had to choose an electoral system knowing only our own views and no one else's. In those circumstances, what system would be chosen: first past the post, or a proportional system?

Choosing first past the post means taking the risk of one's political views being excluded for ever and of never having any representation in the legislature of the country. I cannot think of anyone who, faced by the question about fairness from behind the veil of ignorance, would choose first past the post. Perhaps some people might be so convinced that strong government is important that they would choose first past the post, despite the risk that their own views would never have any influence on the legislature, but it would be an extraordinary thing to do. People taking that view would probably take the view that democracy itself might be excluded.

Daniel Kawczynski: The hon. Gentleman suggests that we were all taking our view for party political reasons, but that is not the case. In the past 12 years of Labour Governments, the Conservative party would have been much better off with a proportional voting system, yet despite that we want first past the post.

David Howarth: No. The Conservative party wants first past the post because that is the only way that it can form a majority Government with a minority of the

[David Howarth]

vote. The idea that it is being generous about it is ridiculous. We need to get away from the idea that fairness can be judged from a partisan point of view, and think about it from a non-partisan point of view. I am sure that from a non-partisan view, taking into account all our interests, fair-minded people would never choose first past the post as their electoral system.

Mr. Donohoe: Surely, the hon. Gentleman was listening to what I said, which was that the Labour party in government gave away more power and influence, as a consequence of which we are now in the mire north of the border. In the party context, he would know, if he was listening to me, that the Liberals, for other reasons, were opposed to the concept of proportional representation in 1921.

David Howarth: It is also the case that the that Labour party was in favour of PR when it was founded and has since abandoned that view for national Government. Let us get away from the history and stick to the question of what is a fair system. I am sure that if we based our answer on a neutral point of view that got away from party interest and if people thought about it honestly, we would not conclude that first past the post was fair.

My second point is about confidence. It is a crucial point because we are in a crisis of confidence in the political system. We have to ask ourselves whether we can carry on with an electoral system in which Governments are very unpopular on the day that they are elected. The current Government were elected with 35 per cent. of the vote. Almost twice as many people voted against them as for them. It is not surprising that the Government were unpopular from the start. Most Governments in this country are unpopular. That unpopularity is part of the crisis of confidence in politics, as people do not see their political views represented in the way that politics works nationally.

The hon. Member for Great Grimsby mentioned the 1950s. There was a sense then that the main purpose of the electoral system was simply to choose a Government from the two options available. It did not really matter how unrepresentative the Parliament was. However, the idea that the House of Commons is here simply to choose a Government cannot survive the massive reduction in support for the winning party. The electoral college notion of what the Commons is for cannot survive the present situation in which the winning party is so unpopular at the start.

We need to get away from the idea that the only purpose of the Commons is to act as an electoral college and that we all may as well go away once it has done that. We need to come round to the idea that the purpose of the House of Commons is to be a representative assembly. The first virtue of a representative assembly is that it represents the political views of the electorate. At present, it does not and it cannot regain any place in public confidence as long as that is the case.

The arguments against PR always come down to its not working in Israel or Italy and its helping extremists and damaging the constituency link, and a Conservative argument, which goes back to Mrs. Thatcher, is that consensus politics is a bad thing. None of those arguments works; for every Israel, there is a Germany, and for every Italy, there is a Scandinavia. There are many examples of successful, stable countries that use proportional systems. In any case, for Israel—a country that has been threatened existentially every moment since to came into existence—to have survived using PR is an example of PR's success not its failure.

We have discussed the point that extremists get in at local level even with first past the post. As the percentage needed by the winning candidate drops, the chance of that happening increases. Moreover, if people feel excluded from a political system and unrepresented in Parliament, it breeds extremism. People have this the wrong way round: the failure to recognise the unrepresentative nature of this place breeds further extremism, and we must do something about it.

All the alternative systems put forward maintain the constituency link in some way or another, apart from the extraordinary system used in European parliamentary elections, which is the worst of all systems, as the hon. Member for Great Grimsby said. In the additional member system, half the seats are constituency seats. In STV, the constituencies are large, but because of the way that the system works, individual Members have to compete with one another in their constituencies to do their work better. If there is one disadvantage of STV, it is that it would make Members concentrate so much on their constituencies that the kind of ministerial candidates that the hon. Member for Great Grimsby mentioned might be put off. That is why national politicians in Ireland now and then suggest that STV should be abandoned. The people would not allow that to happen; they are convinced that STV is the best system for them, which is why it has won in all the referendums in Ireland on the electoral system.

The final point is one that always comes up from Conservative Members; it is always at the back of their minds: if we had had PR in the 1980s, Mrs. Thatcher would never have become Prime Minister, and all the radical reforms that she introduced would never have happened. I do not think that that is true; many of those reforms would have happened eventually, in a different way, with greater consensus and less social rupture than they did. We must ask ourselves whether we want further electoral coups d'état by minorities. Is that how to unify the country? Or given the crisis of confidence in politics that we face, do we need politics that is more consensual and based more on debate and agreement? We cannot have that under first past the post.

12.10 pm

Mrs. Eleanor Laing (Epping Forest) (Con): The hon. Member for Cambridge (David Howarth) forgets that we entirely applaud what Lady Thatcher did in the 1980s. A strong Government, however unpopular in some parts of the country, put this country back on its feet and made it possible for us to do what we do today as a country and an active participant on the world stage. But let us put that aside.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I applaud strong Government doing what is needed to get the country back on its feet after a

difficult economic crisis. Does the hon. Lady applaud this Government for doing exactly that in response to the world economic crisis?

Mrs. Laing: No, I do not applaud what the Government have done, but I applaud the fact that we have a strong Government, in electoral terms, and that those of us who are against them at least know what they are doing. We have certainty, and I applaud that.

I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing this debate. He is an individual, as I said earlier, and I mean that as a compliment. I congratulate him for adhering to his principles through the decades. This is an important debate; indeed, it is a perpetual one. For democracy to be vibrant, we must continually debate electoral reform. However, he based his argument on the fact, as he says, that we need a referendum on proportional representation on 6 May or on whatever date the general election might fall.

I put it to the hon. Gentleman and other hon. Members that we do not need a referendum. On whatever day we hold a general election, the people of the United Kingdom will know that one party—the Liberal Democrats—has made proportional representation one of the main planks of its manifesto promises. If more people throughout the United Kingdom vote in the general election for the party in favour of proportional representation than for all the parties against it, that party will become a Government and can introduce proportional representation at its leisure. That will be our referendum.

David Howarth: Is the hon. Lady saying that if the Liberal Democrats were to win the next election with 35 per cent. of the vote, we could change the electoral system without a referendum? I thank her in advance for her support.

Mrs. Laing: Yes, the hon. Gentleman is right. If the Liberal Democrats have a majority of votes in the United Kingdom, or more votes than the parties against proportional representation—

Mr. Wills: More seats.

Mrs. Laing: No, I said more votes, but it does not matter which way one looks at it. If the Liberal Democrats get either more votes or more seats than all the other parties that are against proportional representation, they will be in a position to form a Government and go ahead with their plans.

John Mason: Does the hon. Lady think that there should be a closer link between seats and votes?

Mrs. Laing: Yes, of course there should. That is why it is Conservative policy to reduce the number of Members of Parliament and to equalise the size of constituencies. Votes in Scotland are not equal to votes in the rest of the United Kingdom, because of the differential size of the constituencies.

Mr. Donohoe: I must update the hon. Lady: Scotland now has the same numbers as the rest of the constituencies in the UK.

Mrs. Laing: I appreciate that we have reduced the number of Scottish Members from 72 to 59. I agree with having done that. Nevertheless, throughout the rest of the United Kingdom, there is not parity of representation.

Mr. Wills: The hon. Lady is very generous in giving way. I will keep my remarks short and give way to her many times when I stand up to speak formally. Does she recognise that some, if not most, of the disparity between different constituencies is due to the deplorable lack of registration among a large number of voters—more than 3 million people, according to the Electoral Commission—who are eligible to vote but are not registered to do so? It is not possible to look at genuine parity until we have a universal registration of all those who are eligible to vote.

Mrs. Laing: The Minister and I have had this conversation across the Dispatch Box on many occasions, and I agree that the comprehensiveness of the register is a sine qua non of having a fair and equal system. That is included in Conservative policy and outlook on this subject, too.

I will be brief now in my main remarks. I congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) and the hon. Member for Central Ayrshire (Mr. Donohoe) on the eloquence with which they outlined the confusion in Scotland and quite rightly brought to our attention the problems that have occurred there because of the different types of voting system, which are sometimes all used on the same day, thereby causing confusion. I disagree with the hon. Member for Glasgow, East (John Mason), who, although he has fought and won many elections, still has not quite got the point that a fair system has to be a simple system.

My hon. Friend the Member for Mole Valley (Sir Paul Beresford) has very eloquently told us what he discovered in New Zealand, and I tend to believe him. He is our best link to New Zealand, and he is absolutely correct to say that, under its system, the people got a Government whom no one voted for, because they were a Government brought about by bargaining after the event, and the voters had no part in choosing them. To have a Government who are truly based on the three principles that government should be of the people, by the people and for the people, there must be three basic principles: those who are elected must be accountable to the electorate; the system must be certain and simple; and it must give power to the people and not to political parties.

First, on accountability, a voter must know when he or she goes into the polling booth not only how to elect a person but how to get rid of a person. It is a basic tenet of accountability that if we have a representative whom we do not want for reasons of ideology, personality or whatever, there must be a way of getting rid of that person. Under a proportional system with a list, that cannot be done by the voter. It can only be done by the party hacks. I, of course, love the party hacks, but that is another matter. They take power away from the voter. The unique link between the representative and those who are represented must remain. In parliamentary terms, it is the unique link between the Member of Parliament and the constituency. At other levels of government, that unique link must always be there

[Mrs. Laing]

because it gives us accountability. Only through accountability can we have a democracy that works and represents the people.

Secondly, I agree with the Minister that the system must be certain, and therefore simple. Much as I detest most of what the current Labour Government have done, I certainly accept that the people have spoken very definitely and certainly for the past 12 years. When the people have spoken, we know what they have said, although I hope that they will soon change their minds. Therefore, the Government, however wrong they might have been on many things they have done, have been absolutely legitimate. People have to know what the effect of casting their vote will be and also the effect of changing their minds—let us hope that they will do that in the near future.

Finally, a truly valuable system of democracy gives power to the people and not to political parties. The hon. Member for Great Grimsby is an individual, not a party hack. He is the perfect example of someone who is elected by first past the post, because of his ability to stand up for his constituents and his principles, regardless of his party—*[Interruption.]* Well, sometimes regardless of his party and to good effect, and regardless of what the Government at Westminster say. It is the individual in the House of Commons who makes this a great democracy, and that is possible only through a first-past-the-post, straight, simple and constituency-linked system. To tinker with that for the purposes of the current fashion, the prevailing wisdom in the press or the economy would be wrong. Our democracy is more valuable than any of those things, and we must protect it by protecting first past the post.

12.22 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): Welcome to the Chair, Mr. Amess. I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell); as the hon. Member for Epping Forest (Mrs. Laing) just said, he is living proof that the current system of electing Members of Parliament produces not only the cloistered, faceless, apparatchiks he so derided, but thoughtful, passionate, principled individuals such as him. I congratulate him on securing this genuinely important debate.

The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) seemed to be facing two ways at once. On the one hand, he was deeply worried about the prospect of change in the electoral system, so he obviously thinks it an important part of our constitutional arrangements. On the other, however, he spent a lot of time saying that it was not important and that Members of Parliament ought to concentrate on the sorts of things that his constituents were raising with him. However, as the hon. Member for Cambridge (David Howarth) rightly said, those two things are not mutually exclusive, but part and parcel of the same issue.

The issue is so important, and my hon. Friend the Member for Great Grimsby is correct to bring it up at this point because we are facing a crisis in the legitimacy of our constitutional arrangements. All parties recognise that. Conservative Front-Bench Members clearly recognise it and are coming up with all sorts of ways to address the crisis, as indeed are other parties and the Government. One can look at a whole range of constitutional reforms, including the open primaries that the Conservative party has rightly pioneered. In my view, there is a lot of merit in what the Conservatives have done in that area.

However, to look at all those constitutional reform measures and then exclude any discussion of the system for electing Members of Parliament is bizarre. The system should be looked at as part of the constitutional crisis that we face. The system is so important because it is about how power is distributed, and how power is distributed makes possible the answers to all the questions that the constituents of the hon. Member for Shrewsbury and Atcham raise with him weekly in his surgeries.

Daniel Kawczynski: In my speech I was saying that I wanted to have the status quo left as it is, with a first-past-the-post system. According to the media, the Labour Government will not have a referendum on PR on the date of the next election, but will put it in their manifesto and have a referendum should they be re-elected. Will the Minister give me a pledge that he will try to change the voting system not at the fag end of a Parliament, but only when his party has a fresh mandate?

Mr. Wills: The Prime Minister has made it clear that we are pledged to bring forward a referendum on the system in the next Parliament; there is no question of having it on the date of the next general election. My hon. Friend the Member for Great Grimsby seems to think that that will be on 6 May, but I have no such advance knowledge. None the less, by the middle of next year, there will be a general election. It is simply not possible to have the referendum, or any referendum, on that date and nor should it be.

This should not be a matter of party political calculation and, more crucially, it should not be perceived as such. Such a subject is fundamentally important. It is about the wiring of our constitution, and should not be seen as—or actually be—the subject of partisan political manoeuvring. If we had the referendum on the same day as the election, there would be the risk that the two things would get muddled up, and that is not the right way of doing things. As a Government, it is our settled view that any change in the electoral system should be subject to a referendum by the British people. This is their voting system and their constitution. It is not for Members of Parliament alone to decide on the matter.

Mr. Donohoe: I agree entirely with the Minister, but will he also agree that as part of that debate, we should be considering voter turnout?

Mr. Wills: I agree entirely with my hon. Friend. Such things must be considered together; we are looking at only one part of the picture. He is absolutely right in suggesting that participation is central. There are many views about why participation is declining, and we must consider the issue across the piece, as we are doing. We have already taken measures to increase turnout and we are continuing to look at different ways of voting. I will shortly publish an electoral strategy that looks in principle at different ways in which we can address that issue and many others.

We have had a lengthy debate. In the few minutes remaining, I want to pay tribute to the passionate speeches that we have heard from all parts of the Chamber, from the hon. Member for Shrewsbury and

Atcham and his colleague in the all-party group, my hon. Friend the Member for Central Ayrshire (Mr. Donohoe), and from the hon. Members for Mole Valley (Sir Paul Beresford), for Glasgow, East (John Mason), for Cambridge and for Epping Forest. The different points of view expressed reflect the importance of the subject. No doubt we will continue this debate in the months ahead.

In the time remaining, let me caution all hon. Members about the use of language in such a context. Terms such as "fairness" are not objective terms; they are relative. The hon. Member for Cambridge made much play of his notion of fairness, but I ask him to consider this point. What is so fair about a system in which a party that year after year, decade after decade, gets simply 5 per cent. of the vote—as happens in Germany, which he holds up as a model of the system—determines the complexion of the Government? That is axiomatically not fair.

David Howarth: The situation in Germany is not like that. The grand coalition, which has just ended, shows the other option. The hon. Member for Glasgow, East (John Mason) pointed out that small parties cannot get their way when the larger parties agree, but the Minister is assuming that larger parties never agree, which is an extraordinary thing to assume.

Mr. Wills: I ask the hon. Gentleman to look at the history of post-war Germany and see what percentage of the time has been occupied by a grand coalition in power. He will find that history proves my point rather than his. All I am saying is that we need to be extremely careful about using terms such as "fairness". Personally, I prefer "legitimacy", because in the end it is the legitimacy of the system—not our view but the British people's view of legitimacy—that really counts.

I agree with the hon. Gentleman that a system in which a Government can be elected with an absolute majority, with about 25 per cent. of the electorate supporting them, is not sustainable in the long term. It is a system that has persisted and is likely to persist after the next general election, whichever party wins. Unfortunately, part of the problem is the low turnout, as my hon. Friend the Member for Central Ayrshire rightly pointed out. We have to look at different ways in which we can inject greater legitimacy into the system.

Seaside Town Regeneration

12.30 pm

Mr. Hugo Swire (East Devon) (Con): Nowhere in the United Kingdom is further than 70 miles from the sea—it has been a much loved resource for holidaying Britons over the years—yet our coastal towns, once famous holiday destinations, have suffered a steady decline over the past 25 years. Our seaside towns have not benefited from the urban renaissance of the past decade, and the national regeneration initiatives have overlooked the problems that they face.

The recent recession, ironically, has seen a resurgence in the popularity of our seaside resorts. Statistics from Visit England show that in July 2009, the number of holiday trips taken by UK residents to England was up by an impressive 40 per cent. compared with July 2008. Despite the latest revival, the Government's understanding of coastal issues is poor and, as a result, regeneration efforts are badly co-ordinated across many Departments, which have a role to play in the process.

The significant urban focus in the Government's regeneration and renewal agenda has exacerbated the challenges for coastal areas, as opportunities to invest, aid and restructure seaside towns have simply been overlooked. Even when funding opportunities, such as the single regeneration budget rounds, the neighbourhood renewal fund and the neighbourhood element of the safer and stronger communities fund, are made available, they have not been adapted to take account of the specific characteristics of seaside towns.

As the Communities and Local Government Committee's inquiry into coastal towns demonstrated, a complex range of issues faces such areas, including changes in tourism trends, the seasonality of the seaside economy, frequent high levels of deprivation, coastal erosion, physical isolation and high levels of immigration of older people and emigration of younger people, which places pressure on social and community services.

Tourism is vital to the UK. Deloitte has estimated that the wider worth of the visitor economy is £114 billion, and that tourism attracts £20 billion a year in overseas earnings. It employs 8 per cent. of the work force and represents at least the fifth largest sector of the national economy. However, over the past 10 years, the UK's growth in inbound tourism has underperformed compared with global competitors. National statistics indicate that if we had grown our international visitor economy at a rate that matched the increase in world tourism over the same period, the additional visits would have generated £3.2 billion more annually for the economy and 75,000 extra jobs. Does the Minister concede that that is a serious missed opportunity?

All British seaside resorts were developed as tourist destinations in the years after the first world war. The accommodation constructed at the seaside was, when built, better than what most people had in their homes. It was modern, and resorts were, by the standards of the time, exotic places. However, by the 1970s and 80s, continental resorts had developed, and over the past 30 years, the traditional bucket-and-spade tourism industry declined in the face of competition from low-cost European package holidays.

Resorts cannot rejuvenate their tourism appeal without analysing which areas of the towns are crucial to tourists and then engaging in a determined programme of

[Mr. Hugo Swire]

improvement and renewal. Initiatives for reinvigorating our seaside towns ideally should come from local authorities with private participation, with the Government setting a framework that enables that. Seaside destinations tend to have significant infrastructure costs in excess of those that are borne by an inland area. The maintenance of coastal defences and the increasing risk of flooding—never more appropriate for those of us who have seen the front page of today's edition of *The Times*—are just two examples of the enormous threat to inward investment and development, particularly from the private sector, which is reluctant to go into areas that might be threatened by coastal erosion or flooding.

For too long, there has been a lack of recognition of extra infrastructure burdens faced by seaside resorts. Instead, they are left to the local authorities to fund and, with squeezed budgets, are often forgotten, overlooked or put simply at the bottom of the "to do" list. Yet it is only after the public realm infrastructure receives investment that the private sector will be willing to invest.

It would be appropriate now to declare that my wife has recently become the owner of a holiday-let property in Cornwall. The hotel building allowance has been curtailed or removed within the tax system, which is ever more complex, expensive to comply with and demanding on cash flow. In April's Budget, the Chancellor announced the potentially devastating changes to the tax rules governing the letting of furnished holiday property in the United Kingdom.

In the south-west, we have the greatest proportion of holiday letting accommodation and the change in the taxation will really threaten that industry. While the self-catering sector is an increasingly significant component of the UK holiday market, generating revenue of £1.8 billion per annum or almost 13 per cent. of all UK domestic holiday expenditure, property owners will from April 2010 face a greater tax liability in operating their holiday letting businesses. Along with budget hotels, camping and caravanning, the sector is one of the growth areas of the UK tourism industry.

The Treasury estimates that changes to the furnished holiday lettings rules will damage the tourism industry by just £20 million, yet research by the Tourism Alliance suggests an overall reduction in tourism spend of £200 million and a loss of 4,500 jobs in rural and seaside economies. At a time of recession and unemployment, what are the Government playing at by introducing such punitive measures?

Mr. Adrian Sanders (Torbay) (LD): The hon. Gentleman makes a powerful point. The tax system is disadvantageous to the UK tourism industry, particularly as at the moment our major competitors, Germany and France, are reducing further their VAT rate on hotel accommodation.

Mr. Swire: I shall continue on taxation specifically, but overall both the countries to which the hon. Gentleman alluded are backing their tourism industry in a way that our Government are not. I hope to give the Minister an opportunity to deny that and explain why I am wrong.

One of the Government's core goals for their tourism responsibilities under the Development of Tourism Act 1969 has been to increase the quality of tourism products and services to make the UK tourism industry internationally competitive. Not only will changing from 100 per cent. relief on capital expenditure to the proposed 10 per cent. wear and tear allowance mean that the quality and quantity of the fittings provided will be reduced and there will be a lower level of maintenance, but immediate barriers to entry are being created, owners of holiday lettings companies could go out of business, and, ironically, farmers previously encouraged to diversify into tourism activities and holiday lets will now be disincentivised by the very Government who encouraged to them to take such action in the first place. If ever there were a lack of joined-up Government thinking, that is it. Nor has the change in taxation legislation been subjected to rural proofing, as the Government promised would happen to new taxation legislation.

Will the Minister take the opportunity of the debate to respond to the Federation of Small Businesses, which today in the papers has called for the Government to "Give us a Break" in respect of the changed legislation? He will no doubt be aware that the chairman of the FSB called for that, and I look forward to his response to the debate.

The Department for Culture, Media and Sport has not given tourism the attention that it needs and deserves. Tourism is ignored by Departments that have more clout in the great scheme of things. The Department for Culture, Media and Sport is simply not seen within the Government as a defender of tourism's interests or a natural consultee. As current trends are showing greater personal responsibility towards individual carbon footprints, and altered holiday choices based on ecological rather than purely financial priorities, the error of the Government's ways in changing FHL rules can only be brought more sharply into focus.

English tourist destinations now have a fresh advantage over their foreign competitors, and an opportunity to capture new markets. The coastal holiday experience can satisfy sustainable lifestyle aspirations, offering locally and organically produced food, and health benefits associated with outdoor activities in the natural environment. The Government are being presented with opportunity after opportunity to take advantage of trends and changes in behaviour, attitudes and spending habits, yet time and again, those chances are squandered.

Transport infrastructure is another key issue that limits seaside regeneration. The Government's failure to deliver on major transport projects for seaside destinations significantly affects their growth and competitiveness and adds cost to every journey. Coastal areas suffered disproportionately under a previous Labour Government as a result of the Beeching axe when branch lines such as the one to Sidmouth in my constituency were cut. The Government must now ensure that all tourist centres are well served by public transport to reduce as far as possible the use of individual vehicles. It must be accepted that tourism involves transport, which needs to be made not only ecologically friendly but cost-effective for the traveller.

It has been evident over the past 15 years that, rather than sitting in endless traffic jams on their way to the seaside, UK residents have chosen to fly to overseas destinations, at the considerable expense of our seaside communities and economy. The Government must step up to the plate and address that matter urgently. Specific problems affecting tourism also include the inconsistent

level of support made available for tourism development by the Government and their agencies. That includes support for marketing destinations, the development of skills appropriate to 21st century destinations, and business growth. There appear, however, to be encouraging developments in that regard, with the British Resorts and Destinations Association and Visit England currently developing a seaside resorts futures document, which will emanate from the new England strategy in 2010. Yet the funding provided to Visit England is only £13 million and about to be cut significantly. That is a pitiful amount and resources must be increased so that they are commensurate with the size of the task.

Central Government should give coastal towns an opportunity to address their decline and renew and improve their tourist facilities. Customers increasingly demand quality of service and facilities, and coastal towns are well placed to meet that demand, in part because of their high quality historic fabric. For visitors who have come to enjoy the beauty of the coast, but need a base to stay overnight, a built environment that matches the quality of the natural environment is essential, and the development of a high quality hotel and leisure sector can help stimulate a modern visitor economy.

The Government must also play their part by reducing the burdens of red tape and bureaucracy. The planning system needs to become less process orientated. The local development framework and regional spatial strategies have been too long in their formation, and that leads to unnecessary tensions between planning authorities and developers and investors. I am cynical about the regional spatial strategy and welcome my party's pledge to get rid of it. There is a need, particularly in current circumstances, to ensure that the public sector works to facilitate development and not delay it.

Bed-and-breakfast premises are particularly vulnerable to the increased regulatory burden. Guidelines are urgently needed for local enforcement officers in fire regulations and food hygiene to ensure that they carry out their enforcement duties proportionately, in a genuinely risk-based way, and not in a way that places a disproportionate compliance burden on small businesses. Fire regulations, in particular, affect a number of bed-and-breakfast owners in my constituency. I have tabled several parliamentary questions about the matter, and wonder whether the Minister has received similar representations, and what his opinion is.

Marinas, which have an important role to play in local regeneration schemes, are also burdened by red tape and regulation. That needs to be explored, particularly in the south-west. There is no marina between Portland and the constituency of the hon. Member for Torbay (Mr. Sanders). There is nothing along my coast, and the Government would do well to consider a marina initiative.

Heritage can be a dynamic resource for regenerating coastal towns. The restoration of historic buildings to accommodate new uses can stimulate new economic sectors, such as arts and cultural industries. Examples include the successful restoration of the De La Warr pavilion in Bexhill-on-Sea, the development of Tate St. Ives, Bournemouth square, the Whitby abbey heritage centre and the Tern project in Morecambe. Offering visitors a broader range of attractions, with significant increases in spend and overnight stays, has a knock-on effect on retail and restaurants in the area. The Royal Oyster Stores restaurant in Whitstable has, for example, been particularly influential in fostering a market of high-spending visitors from London, who come to eat at the restaurant and then enjoy the shops, galleries and sea front in the rest of the town. The recently diversified local economy brings all-year-round tourism, ensuring a more stable economy and better job security for local residents. A similar experience has occurred in Cornwall with Rick Stein's restaurants in Padstow, Jamie Oliver's Fifteen Cornwall at Watergate bay, and most recently the Hix restaurant in Lyme Regis, which I was lucky enough to try for myself.

Central Government investment in culture, arts and heritage is a vital and innovative way of creating a diversified and sustainable seaside economy. I should, therefore, welcome the Government commitment of £45 million over three years to a sea change fund. Indeed, as the shadow Minister for Plymouth, I was heartened by the £100,000 to help develop plans for relocating the Plymouth arts centre down on the Hoe. However, tourism is not a by-product of outreach, cultural-grant programmes, which are not a quick-fix solution.

Investment is probably the key issue holding back seaside regeneration. The lack of awareness and appreciation of the problems associated with seaside destinations has led to poorly conceived policy interventions such as the sea change programme, while the incentive structures associated with the regional development agencies have tended to focus the investment on easy-win structural projects, rather than tackling the more difficult underlying social issues, which hold back growth and development in such areas.

As a result of decades of decline and neglect, many seaside destinations suffer from high levels of deprivation. According to the Communities and Local Government Committee report, 21 of the 88 most deprived local authorities are in coastal towns. Such problems require urgent central Government intervention, so that those destinations can move forward.

In addition, the out-migration of younger households, to which I alluded earlier, and the growth in the care home industry have created a demographic imbalance, putting a higher burden on social services. In fact, 21 per cent. of residents of seaside towns are over 65, compared with the national average of 16 per cent. Efforts must be made to draw young people back to coastal areas. In Falmouth, a new further education campus is diversifying the local economy, increasing employment and vitality in the town. Student numbers at the campus are expected to reach around 30,000 and will provide a major boost to the local economy. That is exactly the type of innovative regeneration of coastal towns that is needed. I would like to see more colleges in coastal towns dedicated to training young people in the needs and requirements of the hospitality industry.

The extraordinary, abandoned fiasco of the Government's casino policy almost suggested that the only panacea from Government to address the ills of a seaside town's deprivation would be to bung a casino in the middle of it. At the time I had the honour of being the shadow Secretary of State for Culture, Media and Sport and we put that one to bed for them. The policy seemed to serve no other purpose than simply costing time, money and effort on the part of all the authorities that bid.

[Mr. Swire]

The Treasury should now concentrate on working with the industry to improve the existing amusement machine licence duty system to deliver efficiencies for Government and business. The maximum jackpot levels for amusement machines should be reviewed, remembering that higher jackpots would mean higher levels of duty.

In order to succeed and flourish, seaside destinations must be year-round attractions, and one of the greatest challenges is to extend the tourist season. One of the most important factors in achieving that is the development of the meetings and conferences industry. In the 1970s and '80s most of the major seaside resorts were significant players in the conference market, but with investment being ploughed into our former industrial cities from the 1980s onwards, competition to the resorts grew in parallel with the decline and impoverishment of their infrastructures. Over the past 20 years, we have witnessed a number of resort destinations pulling out of the conference market altogether, because their offering is no longer appropriate to the market's needs, while others are struggling to remain competitive. If seaside resorts are to continue to be successful, the necessary investment must be made in the transport and local infrastructures that support business tourism.

Obviously, the major player in any effort to rejuvenate seaside towns and provide the necessary cultural injection is local government. However, local authorities are not always able or inclined to take a meaningful lead in the area, owing to funding restrictions and the lack of incentives to promote tourism. Tourism promotion is a non-statutory function for local authorities and, with increasing pressure on budgets, it tends to be the first activity that is cut. Given the inconsistent understanding of coastal issues and the pressure on public finances, there is increased need for local government to be encouraged to adopt entrepreneurial approaches to the use of its assets and the range of its powers to take things forward.

There is no dedicated national policy statement relating to coastal towns and that must be changed. For many years, until the mid-1960s, our seaside resorts were a major destination for domestic tourism. Since then the financial and physical decline of what were once attractive holiday destinations has simply been overlooked. Many coastal towns are surrounded by some of the most outstanding natural environment Britain has to offer. In my own constituency of East Devon, not only are there beautiful beaches but the Jurassic coast, a UNESCO world heritage site. We should rightly be proud of our natural and historic assets, and respect them as a worthy part of the future and our 21st-century tourism appeal.

A 2006 study for the World Travel and Tourism Council predicted that on present trends the UK would lose a further fifth of global market share over the next 10 years. One of the reasons for the unfulfilled potential of tourism and our coastal towns is the Government's failure to appreciate how important those towns are to the UK, and particularly to England.

I hope that the Minister will use the time remaining to answer some of the questions and not simply say that what I have proposed requires increased money and that the Opposition are committed to spending no extra money, because that would be a cheap run for him. I hope that he will be worthier than that. I concede that some of my proposals would cost money, but others would be cost-neutral and require only a commitment by the Government that hitherto we have not seen. The clock is ticking on the Government, but it is not too late in the day for them to give some kind of demonstration of their commitment to the restoration of our coastal towns.

12.50 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): Although I enjoyed the culinary tour of the coastal towns of England that the hon. Member for East Devon (Mr. Swire) gave, I will disappoint him. What I found extraordinary and disappointing about his speech is the fact that, although Westminster Hall debates are normally non-partisan and constructive discussions about people's concerns, today we heard calls for more spending on regeneration, more access to finance for coastal areas, more colleges, more students, more spending for transport, tourism and Visit England, and at the same time lower taxes. He might think this unworthy, but he should try coming here to explain that.

What the hon. Gentleman has done is set out eloquently the Opposition's approach to economic policy in general, which is to make all sorts of commitments while calling for lower taxes and not explaining how any of them will be paid for. It has certainly been disappointing to sit here and listen to a party political rant dressed up as a serious discussion of his constituents' concerns.

I will try to deal with some of the points that the hon. Gentleman made, but if I miss anything I will ensure that he receives a letter on the subject. He is right that seaside towns have an important role in regional and local economies, along with other towns, cities and communities, and we want them to thrive and prosper. Many seaside towns are desirable locations and many people want to live there—not only those reaching retirement age, but younger people—because they offer an attractive environment, a good quality of life and varied opportunities for leisure and recreation.

Seaside towns are still important holiday destinations. Despite the diatribe of complaints to which we have just been subjected, in July alone domestic tourist trips nationally were up 20 per cent. on last year's figures, and seaside towns will clearly have benefited from that.

It is difficult to generalise about seaside communities, given their very different economic, social and physical circumstances. There are big contrasts in the issues they face. There are resorts on the south coast, such as Bournemouth, Brighton and Poole, where the housing market and local economy are more buoyant and diverse, but which are still affected by changing trends in tourism. Others, such as Blackpool and Scarborough, have greater dependence on the traditional seaside tourist economy. Some areas have a high percentage of houses in multiple occupation, sometimes in poor condition. Some areas have strong and successful ingrained tourism industries while others have a declining tourist trade. Some areas, such as Brighton and Southend, have large numbers of people commuting to London, and others have higher numbers of people on benefits.

All those features present different challenges and opportunities for different communities, and clearly there is no magic bullet for every area and no simple

solution that can be imposed from the centre. Instead, solutions can emerge only from detailed knowledge and understanding of the challenges and opportunities faced by each resort.

Over the past two years, the Department for Communities and Local Government has funded two studies of larger and smaller seaside towns, undertaken by Sheffield Hallam university. Those have explored in depth the socio-economic issues facing individual seaside towns and the need for better evidence to inform the wider debate. A key conclusion of those studies is that our seaside communities still have strong appeal and great potential. There is no doubt that those areas are changing and improving the quality of their services to residents, tourists and visitors alike.

The Government support seaside towns through a range of mainstream policies to boost their performance and to deliver improvements in services for their communities. As for overall financial support, we have delivered the first ever three-year settlement for local authorities and fulfilled the Government's promise to provide financial stability to local government, which has been more important than ever over the past 12 months.

On 13 November, the Secretary of State for Communities and Local Government announced additional funding for recipients of working neighbourhoods funds to enable them to do more to reduce persistent unemployment. Some of the most deprived coastal authorities, including Blackpool, Great Yarmouth and Hastings, will benefit. The Future Jobs Fund is creating jobs, apprenticeships and training opportunities for young people in Thanet, Brighton and Hove, Cornwall and other coastal areas. The Government's increased support to the regional improvement efficiency partnerships is helping councils in coastal and other areas to meet their local targets and priorities. In the south-west, for example, the RIEP is undertaking work on asset management and economic development and regeneration.

Despite the very real and often severe problems faced by many seaside towns, we can be confident about their future if all those involved—central Government, local government, the private sector, and regional and local partners—work towards a common goal to maximise their opportunities.

Regional development agencies are helping to ensure that seaside towns in their regions achieve their full economic potential through their regional economic strategies. A single regeneration budget, about which the hon. Gentleman complained, is now part of the single budget for RDAs and benefits coastal communities as much as anywhere else. All coastal RDAs now have regional economic strategies that take account of coastal and seaside towns. The RDA for Yorkshire and the Humber, for example, has a renaissance towns and cities programme that includes several seaside towns, including Bridlington and Scarborough. The RDA for the south-west has supported seaside towns from the market and coastal towns initiative, so I do not accept the hon. Gentleman's argument that coastal communities have not benefited from any of the additional expenditure that the Government have delivered.

To make RDAs even more effective, we are bringing together their economic role and the spatial planning function in single regional strategies. Those will help to ensure that economic development, housing, planning and transport are better aligned towards achieving sustainable economic growth to benefit all parts of a region, including the coast.

Since 2003, RDAs have included tourism in their corporate plans and regional economic strategies, both as an activity in its own right and mainstreaming it into their other economic considerations. RDAs are also working closely with regional tourist boards in the development of regional economic strategies, drawing on their wealth of knowledge on how seaside resorts fit in with the regional tourism economy.

In addition to their strategic responsibility for and investment in tourism, RDAs are aware of the interdependence of seaside resorts and their rural hinterlands, and should work with resorts to take advantage of their value.

Through multi-area agreements, a number of coastal authorities and their partners are taking a much more active role in leading economic development and regeneration at a sub-regional level. Of the 15 MAAs signed since July 2008, eight include coastal authorities. The Bournemouth, Dorset and Poole partnership, for example, is focusing on improving skills levels, transport and sustainable growth. The Fylde Coast partnership, which covers Blackpool, Wyre, Fylde and Lancashire county, has a focus on coastal infrastructure, tourism, skills and the public realm.

Some coastal towns have established economic development companies to increase capacity to deliver economic regeneration. As the hon. Gentleman knows, the Plymouth City Development Company was launched in 2008 and is working in partnership with the city council, the private sector, the South West of England Regional Development Agency and the Homes and Communities Agency to ensure that public spending can be used to deliver the city's ambitious plans. That demonstrates a number of the ways in which this Government are working with partners, including the RDAs, right across the country to improve services and increase expenditure in coastal communities.

Super-strength Lager

12.59 pm

Martin Linton (Battersea) (Lab): I am sorry if I am slightly breathless, but my watch is a few minutes slow. I have two very limited objectives in this debate. The first is to persuade the Minister—

The Minister of State, Department of Health (Phil Hope): Would it be helpful if I intervened?

Martin Linton: No, I will be all right. My first objective is to persuade the Minister that it would be a good idea to limit the size of cans of super-strength lager. The second is to persuade him that it would be a good idea to increase their price to discourage their use as the cheapest way of getting drunk. Last week, I put those two points in a topical question to his colleague, my hon. Friend the Member for Lincoln (Gillian Merron), who has ministerial responsibility for public health; I am sure that this Minister was there. She gave me a beautifully crafted reply—but it was not, I fear, a straightforward yes.

I secured this Westminster Hall debate to invite the Department of Health to engage more fully with the issues and to tease out a fuller answer to the questions; I am sure that Westminster Hall debates were introduced for just such a purpose. As I told the public health Minister, a can of super-strength lager carries a voluntary health message from the drinks industry asking consumers to "enjoy responsibly" or "please drink responsibly". It also carries a warning, which was put there last year at the behest of one of her predecessors at the Department, that the can contains 4.5 units of alcohol.

I do not need to tell the Minister that the maximum recommended daily intake of alcohol, according to his own Department, is three to four units for a man and two to three units for a woman. A can is a single-serve container and is intended, once opened, to be drunk straight away. One cannot screw the top back on or put the cork back in; even if one could, it would go flat, warm and totally undrinkable.

Bob Spink (Castle Point) (Ind): The hon. Gentleman raises an important and controversial subject. Does he agree that, for youngsters, warnings on cans can sometimes act as an invitation, rather than a deterrent, to use the super-strength cans? The price does not seem to be a deterrent either. We need parents to take greater responsibility in knowing what youngsters are doing and in preventing them from using alcohol, particularly in public. The involvement of parents is crucial and is probably a better way to tackle the problem than taxation or restriction.

Martin Linton: I am sure that if the hon. Gentleman is a parent like me, he knows that one can never cope entirely with the perversity of youth. If some people do the opposite of what one says, one cannot win either way; if we do not warn them, they do it, but if we do warn them, they still do it. I accept that maximums can become challenges to young people, but that problem has to be tackled in the young people themselves. Sooner or later in life, they are going to have to learn that the advice that others give them is sometimes valuable. If they do not learn it that way, they will learn it some other way.

I thank the hon. Gentleman for his intervention, but my question still stands: is it not irresponsible of the Department of Health to ask the consumer to drink responsibly yet allow the sale of a drink in a can that invites them to drink irresponsibly? Does the Department of Health expect the consumer to take a 500 ml or 4.5-unit can, solemnly pour out the relevant number of units—455 ml if they are a man, 335 ml if they are a woman—and throw the rest away? Does the Department not see that the sale of 4.5-unit cans undermines its own advice to drink no more than four units, or three for women, a day? That is why I want the Minister to ban 500 ml cans. I mean not a voluntary agreement—I fear that that would not work—but a ban on half-litre cans by law and a provision limiting containers to the maximum recommended daily intake. Most supermarkets—certainly my own local supermarket—are already selling only the 440 ml cans of super-strength lager, which contain four units. However, many off-licences and small corner shops sell the larger cans and will often sell them at a lower price than is charged at the supermarkets.

My second objective, which may be far more challenging but more important, is to persuade the Chancellor of the Exchequer to increase the tax on super-strength lagers and ciders, which I am defining for these purposes as anything over 6 per cent. I recognise that that is a decision for the Chancellor, but he will never introduce a tax of that kind without a strong recommendation from the Department of Health. I have addressed that objective to the Department of Health, because the first step must be for it to persuade the Chancellor that a tax needs to be introduced for health reasons.

The first thing to do is to establish whether a price rise would reduce consumption. We already have plenty of evidence. The World Health Organisation states:

"There is indisputable evidence that the price of alcohol matters. If the price of alcohol goes up, alcohol-related harm goes down."

The British Medical Association states:

"There is strong and consistent evidence that price increases result in reduced consumption."

A letter from one of the Minister's predecessors, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), has stated that evidence from other EU countries shows that increasing the price of alcohol through the tax system can reduce consumption levels, especially among younger drinkers, at least in the short term.

The Department of Health usually takes the advice of its own chief medical officer on health issues; the chief medical officer has recommended a policy involving a minimum price of 50p a unit, which would push the cost of a super-strength can up to £2.25. The homeless charity Thames Reach estimated that even a relatively modest increase, taking the price of a can of super-strength up to £1.50 in every shop, would have the beneficial effect of changing behaviour, persuading many problem drinkers to switch to lower-strength brands.

I am not advocating a complete ban on super-strength lagers. I recognise that strong lagers, consumed in moderation, have no more effect on health than any other drink. Many people like the taste of strong lagers. I have a relative who drinks a can of super-strength every day without fail; it can hardly have affected his health, as he is about to celebrate his 99th birthday.

There are many specialist strong lagers, such as Old Tom, which is 8.5 per cent., but that is sold in third of a litre bottles.

However, it is a fact that the great majority of sales of super-strength lager and cider are to alcohol-dependent people who are often vulnerable and homeless. For them, the defining attraction is not the taste, but the price per unit of alcohol. Super-strength affects not only health, but behaviour. It causes people to get drunk very quickly and is a major cause of antisocial behaviour. Thames Reach often tries to persuade its residents to switch back to lower-strength lager—no lager at all, if possible, but at least to lower-strength lager. When they do, their behaviour immediately improves.

Thames Reach, one of many organisations faced with this problem, helps about 4,000 people a year. It estimates that 800 of them are drinking super-strength lager or cider. There were 47 deaths among the people whom it helped last year. It asked its staff to put the types of addiction in order of harm. They put heroin third and crack cocaine in second place. In first place, the most dangerous addictive drug, causing the most damage and the highest number of deaths, was super-strength lager. Jeremy Swain, the chief executive of Thames Reach, said that every year hundreds of men and women with serious drink problems—many of them homeless—are driven to an early grave by these extraordinarily powerful and destructive drinks. He said that we need the Government and producers to accept that the cost of cheap strong lager that can be purchased with ease from any corner shop is, in human terms, simply too high.

Mr. Swain described to me the case histories of some of the people that his organisation has lost. When he was banned from pubs, one man took to drinking super-strength lager in his flat on his own. Despite all its efforts, Thames Reach could not take him out of the tail spin of addiction and he died last year. Another man whom Mr. Swain described was addicted to the super-strength cider White Lightning, though he called it "White Frightening" because of the nightmares and the hallucinations he said it induced in him.

Super-strength ciders, often at 7.5 per cent. and sometimes more, are an equally great problem because they too have a very low price per unit of alcohol. People choose these drinks because they are cheap—the cost per unit of alcohol is low. Over the years, alcohol has become cheaper for everyone. Since 1980, alcoholic drinks have become 69 per cent. more affordable. The Minister will be familiar with these figures, as I am sure that they come from the Department of Health. The implication is that anybody now in their 40s has seen the price of alcohol more than halve in real terms since they were old enough to drink. Since they may also have seen their income double or treble, one can easily see how the temptation to drink alcohol and their ability to consume it has increased many times. It can be no surprise that, as alcohol has become more affordable, consumption has relentlessly increased—as has the harm from alcohol, which now costs the Government up to an estimated £25 billion a year.

Super-strength addicts are perhaps the most extreme example of a wider trend, but they are the ones who suffer as no others do. Thames Reach has a phrase for people suffering in that way: it calls them "the young olds". They are the middle-aged men and women who suffer from the types of life-threatening problems, such as impaired mobility or incontinence, that are more commonly associated with people in their 70s. When its staff are asked to estimate the age of new arrivals, they are often 20 years out. They think that the new arrivals are in their 70s but it turns out that they are in their 50s. Their trouble is that they cannot access the health services available to 70-year-olds. The Minister, who is responsible for care services, will understand that these people are in need of care services although they do not qualify for them because they are so far under retirement age. This is a problem that society needs to take more seriously.

There is already wide support in the House for a super-strength tax, as witnessed by my early-day motion two years ago, which attracted 50 signatories. Some local authorities are beginning to take unilateral action. Westminster city council, for instance, has persuaded retailers in Victoria, Marylebone and Pimlico to stop selling super-strength in their shops and that has led to a marked reduction in antisocial behaviour in those areas. Pubs, of course, have never sold super-strength lager because they know that if they did it would lead to an increase in antisocial behaviour, which their customers would not appreciate. Many shops, for their own reasons, do not sell super-strength lager. It is not available in many countries such as Australia and Ireland, not because of any law but simply because it is not sold in any pubs or shops.

I understand the issues concerning civil liberties raised by the hon. Member for Castle Point (Bob Spink). I repeat that I do not seek a complete ban on super-strength lagers; that would be an infringement. However, we must recognise that such drinks have a powerful effect, not only on health but on behaviour. It is well within the remit of the Government to use the tax system to influence behaviour and health. We already do that in many ways, and the Department of Health has extended the principle in many areas in recent years. I suggest that this is an area where the Department of Health needs to use incentives and disincentives to try to influence people. These people are buying super-strength lager only because of the price per unit and because they live at the extremes of income. They have to save up money to afford a can. Clearly, an increase in the price of the can would have an immediate effect on their ability to buy it.

Bob Spink: I have been listening carefully to the hon. Gentleman, and I am being persuaded by his careful and well placed arguments. My concern is about the use of taxation, not civil liberties. As in this case, there are times when this place must act to protect people almost from themselves, as we did with the seat belt law and other legislation. He is making some extremely strong points. I am listening carefully to him and am prepared to change my mind on this subject.

Martin Linton: I am grateful for that intervention. In the circumstances I think I have persuaded 50 per cent. of the audience already, and I shall be well pleased if I persuade 100 per cent. This is a modest proposal. I am not putting forward anything that would restrict people's civil liberties. I am making my proposal in a moderate way, in the hope that the Department of Health can take action. I understand that there are difficulties with

[Martin Linton]

the proposal, which has been widely canvassed and trialled in Scotland, in respect of prices per unit. I find it quite an attractive proposal, and I do not know what the difficulties are.

Even if we did not go that far and had a super-strength tax that simply applied to beers and ciders over 6 per cent., that would send a strong enough signal to the minority of the population who drink strong lagers through choice. It would also be a strong disincentive to the much greater number of people who drink it as the cheapest way of getting drunk. It would have a beneficial effect on both health and behaviour. I look forward to hearing what my hon. Friend the Minister has to say.

1.17 pm

The Minister of State, Department of Health (Phil Hope): I congratulate my hon. Friend the Member for Battersea (Martin Linton) on securing the debate; he has proved himself an effective and persuasive champion of his cause. This is an important matter of concern for the House and he is right to say that the worst effects of alcohol misuse are plain to see in towns and cities across the country.

Excessive drinking can turn some places into virtual no-go areas on a Saturday night. The costs to the community, the police and the NHS are astonishing, but, as my hon. Friend pointed out, the problems of alcohol stretch far beyond weekend binge drinking. Perhaps the largest long-term problem for the NHS lies with those who do not get arrested, do not get admitted to hospital and do not realise the health risks they are storing up for the future until it is far too late.

My hon. Friend talked about units and I would like to explain exactly what we mean by that. Many people are unclear about what a unit of alcohol is, how many units there are in a pint and so on. For the record, one unit is 10 ml of pure alcohol. It is the amount that the body can, on average, break down in an hour. So, someone who drinks 10 ml of alcohol should not have any left in their bloodstream 60 minutes later. A standard pint of 4 per cent. lager contains two units. A stronger 5 per cent. pint of lager will contain three.

Some super-strength lagers of the sort my hon. Friend described can be as high as 9 per cent. alcohol, with one 500 ml can containing four and a half units of alcohol. A medium glass of 12.5 per cent. strength wine will have more than two units, whereas a large glass might contain more than three. That is the important thing to remember. The Government recommend that women should not regularly drink more than two to three units of alcohol a day. One large glass of white wine is more than three units. Women should not drink more than two to three units of alcohol a day and men should not drink more than three or four, which is just over one pint of strong lager. One can of super-strength lager, therefore, is more than an entire day's worth of units for an adult male. We can all see just how easy it is to drink more than the lower-risk amounts.

In preparing for the debate, I discovered other particularly shocking figures. Some 10 million people regularly exceed the limits, putting themselves at risk of developing long-term health problems, and 2.6 million people regularly drink more than double the lower-risk amount, which increases their risk of death from an alcohol-related cause tenfold. Well over 1 million people are dependent on alcohol. To describe the same figures in a slightly starker way, that group of 10 million people who regularly exceed the limits drink three quarters of all alcohol consumed in this country, and the group of 2.6 million people who drink more than double the limits consume a quarter of all alcohol consumed, which is around 3,000 units a year compared to just 200 units for low-level-risk drinkers.

Since the early '90s, we have seen a rapid growth in how much people drink and the annual number of deaths caused by alcohol. It is fair to say that the growth fell slightly in 2007, but it is still far too high. In 2007, 8,724 deaths were wholly attributable to alcohol, through things such as alcoholic liver disease. That was fewer than in 2006, but still more than twice the number in 1991. If we include deaths to which alcohol is a contributory factor—some cancers, for example—the number of deaths rises to 16,000, and rises still further if deaths caused by drink driving, accidents and violence are included.

The cost to the national heath service of all that is huge—about £2.7 billion every year. In 2007-08, there were more than 860,000 hospital admissions due to alcohol, which was 6 per cent. of all admissions. That figure is rising by more than 70,000 every year. Staggeringly, more than a third of all accident and emergency and ambulance costs may be alcohol related. All that adds up to a major public health problem and a huge source of avoidable cost, without even starting to look at the personal costs of alcohol abuse to individuals, families and whole communities.

What are we doing about the situation? We are determined to turn it around. In April 2008, we created the first ever incentive for primary care trusts to bring alcohol-related hospital admissions into the spotlight, through the vital signs indicator. That is one of the indicators in the NHS national operating framework, and it measures how a hospital is managing its admissions.

We have launched the alcohol improvement programme, which gives front-line staff the tools and guidance better to understand local needs and better to commission services. There has been a groundswell of support, with two thirds of all PCTs now choosing alcohol as a local priority and focusing funds and attention on what they can do to reduce harm from alcohol.

Alcohol is also one of the top 10 PCT priorities within the world-class commissioning programme, and GP practices are now encouraged financially to identify new patients who have unhealthy drinking habits and offer them advice on changing their behaviour. The evidence shows that one in eight people will go on to change their drinking habits. We now see better screening, commissioning and access to treatment. Last year, more than 100,000 people were treated for alcohol dependence.

My hon. Friend raised the specific issue of super-strength lager, from the size of the can to the case for minimum pricing and increasing the tax charged. We recognise the concern he described, which is that the sale of higher-strength lager, beer or cider in conventionally sized cans may encourage people to consume large quantities of alcohol. We take the view that consumers should have a choice of smaller measures in on-trade premises, and we have recently consulted on making it a legal requirement always to offer 125 ml measures of wine.

We will also consider the case for making higher-strength drinks available in smaller or re-sealable containers. My hon. Friend has mentioned before, and did so again today, the fact that many homeless people buy super-strength lagers. It is true that some homeless people suffer from a complex mix of problems, including mental health issues, for which I have responsibility, and various forms of substance abuse.

We will shortly launch "New Horizons", our strategy for improving mental health services. More important is the fact that it will promote wider community mental health and well-being. It will also include specific work with those who have chaotic lifestyles, such as the homeless.

There is a good deal of public concern about the fact that alcohol is often sold at heavily discounted prices, and that that can fuel harmful drinking. As well as it being common sense, evidence shows that the cheaper alcohol is, the more people will drink. I listened carefully to what my hon. Friend had to say and I share his concerns, as does the hon. Member for Castle Point (Bob Spink). I have a great deal of sympathy with my hon. Friend's point of view. It would be wrong, however, to think that there is one simple solution to the dilemma. Altering people's behaviour is never easy, as has already been remarked upon, and we must start by empowering people to make sensible choices, based on the information that they need to make their own decisions. It is important that those who drink strong lager understand how strong their drink is, how much they are drinking and what health risks are involved.

The "Know Your Limits" campaign is catching people's attention and making them think twice about how much they drink. Public awareness of the campaign is running at more than 70 per cent., which is high, and the number of people who know their daily alcohol limits—currently about a third—is growing.

Today is the first day of December, and shop windows are already heavy with decorations and festive bargains. I remind the House that later this week the Department for Transport will launch the annual drink-driving campaign. Those who drink and drive not only put themselves and others in danger, but risk a fine, a 12-month driving ban and a criminal record. I have hijacked my hon. Friend's debate to put that clearly on the record, because we want to build on the momentum of those and other campaigns, including on rape and domestic violence. We shall introduce a new hard-hitting campaign for the new year to highlight the health risks of alcohol.

To go with raising public awareness, we need proper labelling. In 2007, we announced a voluntary agreement with the industry to show alcohol and health information on most alcohol labels by the end of 2008. We will publish the results of a second monitoring exercise shortly, together with a consultation on the next steps. Unfortunately, despite the good efforts of some companies, progress on labelling has been disappointing. Giving people access to the right information when they are buying alcohol is essential, and if industry cannot or will not deliver on its promises, we are prepared to take more radical action to ensure real progress.

We also need to tackle cheap alcohol. The Prime Minister has said that

"we will give local authorities the power to ban 24-hour drinking throughout a community in the interests of local people".

Industry needs to take some responsibility when it sells discounted, high-strength alcohol.

Tax is, of course, a matter for the Chancellor, and I am not yet a Treasury Minister. In 2008-09, my right hon. Friend raised duty on alcohol by 6 per cent. in real terms, and he is committed to increasing it by a further 2 per cent. every year until 2012-13. When VAT was cut by 2.5 per cent. last year, duty on alcohol was raised to compensate. I am glad to say that when VAT returns to 17.5 per cent. in the new year, that increase will remain.

Through the new mandatory code for alcohol retailing, we have shown that if industry continues to act irresponsibly we will legislate. Cheap, very strong alcohol, combined with lack of awareness of the damage it may do, is costing the NHS billions of pounds—and the lives of thousands of people. Although intervention on pricing has been ruled out, we need to strike the right balance between supporting enterprise and respecting the rights of responsible customers, making a real difference. We have said that we will defer work on minimum pricing; we are still thinking about the matter.

We are starting to turn the tide in many areas, but we must always try to do more. In that way, we can help to improve the health of my hon. Friend's constituents in Battersea and of the constituents of all Members. The needs of constituents must come first, and tackling the problem of alcohol misuse is critical to their health and to the future of our NHS.

Offshore Dredging

1.29 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a great pleasure, Mr. Amess, to speak under your chairmanship on a subject that is of great concern to many of my constituents and to those of colleagues in coastal constituencies.

The Minister will know that the East Riding coastal zone, which stretches from Flamborough head to Spurn point and much of which is in my constituency, has one of the fastest eroding coastlines in north-west Europe. According to Hull university, the area with the fastest rate of erosion was

"At Road Junction South of Cowden",

where the rate of erosion was 6.28 metres a year on average between 1954 and 2004. I am sure that the Minister will agree that we must not stop striving to improve our understanding of the forces that are changing our coast. A crucial point is that each bit of coast and each incidence of dredging is different and needs to be considered on its merits, even though that consideration should be informed by a full understanding of issues and research from around the world. Having a comprehensive understanding of the forces behind coastal erosion would enable us to come up with better measures to protect people's homes and businesses in a sustainable and affordable way.

As I said, a significant number of my constituents are concerned that continued offshore dredging is having a direct impact on the speed of erosion along the east Yorkshire coast and the Holderness coast in particular. I pay tribute to Gavin Scott of Holmpton, a constituent of mine, for his indefatigable persistence in raising these issues. He was reported in the *Yorkshire Post* as saying:

"The Government would have us believe that the vastly increased coastal erosion in our area is due to global warming, climate change and a rise in the height of sea levels. But after sifting through all the evidence I personally think dredging in UK waters should now be totally banned...It displays a total disregard for other people and their livelihoods and seems to me to be tantamount to persecution of coastal dwellers."

As you can see, Mr. Amess, feelings run high. Fisherman Derek Crook, whose home at Tunstall has been lost to coastal erosion, said:

"It is an absolute national scandal that the Government is selling sand and gravel to the Continent and it must be a contributing factor to beach draw-down."

Bob Spink (Castle Point) (Ind): The hon. Gentleman has brought an important matter before the House. My fishermen and 40,000 of my constituents who live on Canvey Island share his concerns. The dredging of 32 million to 34 million cubic metres of spoil to make a deep, quarter-mile-wide trench for shipping for the new London gateway port at Corringham could have a devastating impact on Canvey Island's sea defences, which run alongside the area where the majority of that dredging will take place, but Ministers do not seem able to take that on.

Mr. Stuart: I thank the hon. Gentleman for that intervention. A key issue is to ensure that we have a full and proper understanding of the processes at work and that such understanding as we have is shared with our constituents. The campaign group MARINET, which is part of Friends of the Earth and campaigns against marine aggregates dredging, claims that the dredging of offshore sand and gravel deposits can disturb the regeneration of beaches during the summer months. It argues that if beaches become severely eroded due to offshore dredging, coastal defences and particularly sand cliffs, sand dunes, salt marshes and shingle beaches can be progressively damaged, producing coastal erosion.

MARINET also points out—I hope that the Minister will deal with this issue—that Holland and Belgium do not allow the dredging of sand and gravel deposits within 25 km of their shoreline or in coastal waters whose depth is less than 20 metres. A question that my constituents have is why, if those rules are suitable in those countries, they are not suitable for the United Kingdom. I hope that the Minister can explain that.

The British Marine Aggregate Producers Association points to the fact that marine aggregate is playing a role in replenishing Britain's beaches in some places. That raises another question in my area. If that sand replenishment is suitable along parts of Lincolnshire, where I understand that it happens, why is it not appropriate for the east Yorkshire coast? That is another issue for the Minister to deal with.

Mr. Anthony Wright (Great Yarmouth) (Lab): I congratulate the hon. Gentleman on initiating the debate. I had a similar debate some time ago. Presumably he will get exactly the same answers. With regard to beach replenishment, does he not find it perverse that we are paying a company to bring ashore sand that will probably go back into the sea to fill up the trench that was scoured out to bring the sand in originally?

Mr. Stuart: That is an interesting point and one often made to me by my constituents. I am not entirely sure that it is true. Certainly Holland, which has very much an evidence-based approach, is relying more and more on replenishment. I understand that it conducts—as we do—a full analysis of the impact before it dredges. It then examines what happens after the dredging and looks at the hole. That is a hotly disputed issue between MARINET and the dredging companies, which is why I hope that the Minister will be able to help us today. In Holland, they rely on that analysis. If the hole does not fill in and if the aggregate is taken from an area that is not part of the immediate beach replenishment system or part of that sediment that comes down the coast—in our case, it comes southwards—it is not obvious how taking it from elsewhere would have an impact. However, that is a hotly disputed issue.

A key point that I want to make today is to ask the Government to recognise the strength of feeling, doubt and scepticism among our constituents and to ensure that their minds can be put at rest if their fears are unfounded, or further to investigate if those fears have a better basis.

The aggregate producers association points out that dredging often occurs large distances offshore—8 km or more—and that permission would not be given if the experts felt that there was the slightest threat to natural processes. I know that that makes many of my constituents guffaw, but there is a system in place. It certainly has not been obvious to me, from looking at the evidence and examining it, that dredging relict deposits—deposits that are not part of a dynamic coastal system, but have sat dormant for thousands of years off the coast—has had an impact on the coast itself. It certainly does not

remove sediment from the coastal system, because that relict deposit has never played a part in that coastal sediment system. I am yet to be persuaded that there is a problem from such dredging, which is the sort of dredging that happens off my constituency's coast in East Yorkshire.

However, examples are often cited—including Hallsands, the proposed dredging off the coast of Filey a few years ago and others—where the analysis showed that dredging in certain places would have an impact on the sediment that would be available to go on the beaches of the area. It is a matter of looking at each issue in turn.

The marine dredging operations for sand and gravel in the UK are closely controlled and monitored by the Crown Estate, which owns the seabed out to the territorial limit, and the Marine and Fisheries Agency, which is a Department for Environment, Food and Rural Affairs agency. Current regulations require all applications for a dredging licence to be accompanied with a full environmental impact assessment. That should be supported by a coastal impact study that considers whether the proposed dredging is far enough offshore for there to be no beach draw-down into the deepened area. They look at whether the proposed dredging would interrupt the natural supply of materials to beaches through tides and currents, the likely effects on bars and banks, which provide protection to the coast, and the likely changes to the height of waves passing over dredged areas. Those studies, therefore, look at the key issues and concerns that my constituents raise with me.

The Marine and Fisheries Agency says that it would refuse licenses where there was an unacceptable impact on coastal erosion, flood risk management or the environment in general. However, MARINET points out that little monitoring of the impact of dredging on fisheries and marine biological communities, or on shorelines and coastal defences, takes place during the lifetime or after the expiry of the licence. I would be interested to hear from the Minister on that. What happens during the lifetime of the licence and afterwards? That, MARINET quite rightly says, makes it very difficult to know whether to suspend a licence mid-term, if it is indeed true.

From the evidence I have reviewed, there is little to suggest that marine aggregate dredging is implicated in coastal erosion on the east coast. The general conclusion seems to be that material required to support existing shorelines is delivered from elsewhere along the coast—not offshore. Therefore, an offshore intervention is unlikely to interrupt that supply. I understand from the Environment Agency that since 2002 more than £9 million has been invested in research associated with marine aggregate extraction. Of course, not all of that will relate to the effect on coastal erosion.

At a public meeting held in March in Holderness in my constituency, which I convened, dredging industry representatives and Professor Mike Elliot of the university of Hull agreed that more research could only be of assistance. I put that to the Minister. While the evidence overall does not suggest that current dredging is having an impact on the East Riding coast, we must recognise that each case is different. Professor Elliot contacted me before this debate and said, "The point being missed at the moment is that each case is different. Dredging of North sea glacial deposits is different from the sand extraction just offshore for beach nourishment. There is the need for a dispassionate and fully objective look at this topic using evidence from worldwide." That is a key message for the Minister to look again and ensure that coastal communities feel part of that and have access to it.

While the uncertainty attached to currently used predictive models is not fully recognised, those most at risk will always be tempted to think that the research does not sufficiently explain the situation in their area. To have their home at risk from natural forces is bad enough, but people feel particular injustice if their homes and communities—their most treasured and valuable assets—are seen to be put at risk by entirely avoidable commercial activities. What assurance can the Minister give that dredging off the east coast of England is not having a detrimental effect? Will he consider further research and what confidence does he have in our understanding of the physical impacts of aggregate dredging?

I want to give time to the Minister to reply, but before I finish I would like to address the topic of what can be done to help people who lose their homes to the sea. I congratulate Councillors Jane Evison and Jonathan Owen of East Riding of Yorkshire council for working so hard on this subject, and I thank the Minister and his predecessors for being so agreeable to meeting representatives from the East Riding to hear the case being put.

We have repeatedly asked for help for people who invest their last pennies—they often struggle to get a mortgage, as one might understand, if they buy a home near the sea. They put all they have into a home, but erosion often accelerates beyond the norm. Sometimes there are periods in which erosion is slower than normal, and then there are periods of greater pace and people lose their home. On top of losing everything they have ever saved and had in the home, they are forced to pay the cost of demolition to boot. I do not believe that a perverse incentive would be created if society as a whole covered the cost of demolition for the tiny number of people to whom this happens. I hope that the Minister can share good news with us on that front today.

We have seen recently the devastation that flooding can cause to people. In 2007, my constituency was one of the worst affected in the country; every town and almost every village in it was affected by flooding. If the Minister provides reassurance that the threat of coastal erosion is not being speeded up by avoidable activities, that will be welcome. Also, will he promise the people in my constituency and elsewhere who live with the risk of coastal erosion that the Government are sympathetic to their plight?

I have laid out the case that I wanted to put to the Minister. I hope he can respond positively on the issues of additional research and communication with coastal dwellers so that they have better understanding and confidence that decisions have been taken in their interest, not in a commercial or tax-gathering interest. I also hope that people who lose their homes to coastal erosion will be supported.

1.43 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I am grateful to the hon. Member for Beverley and Holderness (Mr. Stuart) for raising an important issue

[Huw Irranca-Davies]

and for securing this debate, which offers me the opportunity to set out the Government's approach to coastal management—specifically, how we manage the licensing of marine dredging to ensure that it does not adversely affect the coastline.

I commend the hon. Gentleman on his approach to the issue. We recognise the strength of feeling among his constituents and others, and I acknowledge his commendably rational approach in wanting to base his judgments, and wanting to see the Government base their judgments, on evidence and rational decision making. We fully appreciate that coastal erosion is a significant problem for the hon. Gentleman's constituents, as it is for other coastal communities who live in vulnerable areas. The Holderness coastline is notoriously susceptible to erosion. The process of erosion along the Holderness cliffs is not new; it has been occurring since the end of the last ice age. Over the past 1,000 years, the Holderness coast has retreated by about 2 km, causing the loss of 26 villages listed in the Domesday survey of 1086.

The English coastline has always been subject to continuous weathering from natural processes. The effects of those processes vary considerably from one part of the coastline to another, depending on the geological nature of the coast, the durability of exposed rocks and materials, and the waves, tides and storm surges to which they are exposed. As we all know, we are increasingly exposed to traumatic events such as storm surges and other incidents. The average rate of coastal change varies from place to place, from close to 0 metres a year in some locations to as much as 1.8 metres in others, although as the hon. Gentleman said, there are other areas where ingress has been much more significant, including along parts of the Holderness coast.

The latest science on climate change tells us that the risk of coastal erosion and flooding will increase over the next 100 years. I do not think that there is any doubt of that in the mainstream of evidence and scientific opinion. That estimate was confirmed by the new climate projections that we launched in June, which show the reality of a changing climate for the UK. We must both reduce our emissions and adapt to the inevitable changes in our climate. I will come to that adaptation in a moment, because the hon. Gentleman made an important point about how we can adapt in coastal areas. It is therefore all the more important to have up-to-date shoreline management plans. That underlines why now, more than ever, coastal areas need to be managed in an integrated and joined-up way.

For the Government's part, we are committed to protecting people and property, both inland and on the coast, where it is sustainable to do so. We are investing record levels of taxpayers' money and need to ensure that we continue to use it to best effect. For example, we have more than doubled spending in cash terms on flood and coastal erosion risk management, to £715 million in 2009-10. Our investment between 2008 and 2011 will total £2.15 billion.

However, there is always an element of frankness to this discussion: there will be some locations where building new defence structures, or maintaining existing ones, is just not viable. That is why the Government consulted over the summer on how communities can start preparing for and managing coastal change. Plans include a new fund to support community-level adaptation and proposals to enable local authorities to support homeowners who lose a property to erosion with demolition and moving costs. I will come to the announcements made today by my Department, but to clarify things for the hon. Gentleman I should say that we will pursue the issue of demolition costs in parallel with the announcements made today, rather than as part of the pathfinder projects.

I am pleased to confirm that today the Secretary of State announced the selection of 15 coastal change pathfinders. The projects will be driven by local authorities. When I have gone around the coast, I have tried to put the ask down to the local level and say, "Come forward with your ideas." That has been the Department's approach, rather than a man in Whitehall saying, "This is what will best suit you."

The pathfinders are local authorities from around the coast that have been awarded a total of about £11 million to road-test new and innovative approaches to supporting communities in planning for and managing adaptation to coastal change. The East Riding of Yorkshire council is one of the pathfinders, and will receive more than £1 million to explore and test ideas for adaptation on the Holderness coast. The specific question that we face today is whether, in addition to natural processes, the extraction of minerals through marine dredging is having an effect on coastal erosion.

Mr. Graham Stuart: I am delighted that the East Riding has been selected as a pathfinder. I put it to the Minister that the places affected include the community of Aldbrough, where the road will be closed shortly, leaving residents, many of them elderly, trapped in their homes without proper access and dependent on the good will of neighbouring landowners to find a solution. As it will give the local authority greater tools to look after people and ensure that they have access, the funding will be welcome.

Huw Irranca-Davies: I thank the hon. Gentleman for that intervention. To add a little flesh to the bone, I should say that East Riding district council will receive just over £1.2 million to provide practical guidance and support, helping communities through the transition associated with coastal change, including piloting a buy-to-let approach to support adaptation in vulnerable communities and developing the council's existing roll-back policy.

I note in passing that my hon. Friend the Member for Great Yarmouth (Mr. Wright), who has a great constituency, is here today. Great Yarmouth borough council will also be part of pathfinder projects, receiving close to £300,000 for a joint project with the community of Scratby; I have visited that important community with my hon. Friend. The purpose is to explore and test different approaches to adaptation, such as roll-back and business-support programmes. Different types of innovation are coming forward from different local authorities. There is a wide range of measures and hon. Members will be interested because hopefully some of them will provide some of the tools for how we go forward.

I turn to the specific question of marine dredging and the effect that it may or may not be having on coastal erosion. I state at the outset that marine minerals are an important source of construction materials, meeting

approximately 20 per cent. of the sand and gravel needs in England and Wales and amounting to between 17 million and 27 million tonnes per annum over the past 25 years. The levels of extraction vary between regions, depending on the availability of suitable material and the levels of demand.

The main extraction sites are located off the east and south coasts of England. The Government's stated policy is to see the continued use of marine-dredged sand and gravel to the extent that that remains consistent with the principles of sustainable development. Policy is set out in Government guidance notes, in particular Marine Mineral Guidance 1, which—it is worth pointing out—includes a precautionary approach in consideration of applications for marine minerals dredging.

I shall now give some detail. New permissions for the extraction of marine minerals will be granted only where we are satisfied that all environmental issues, including coastal impacts, have been satisfactorily resolved. Furthermore, it is Government policy that all applications for dredging permissions in previously undredged areas require an environmental impact assessment.

We do not contest the fact that poorly managed aggregate extraction from the marine environment could cause a range of physical impacts, which may ultimately contribute to coastal erosion. That is why all marine mineral dredging applications are required to assess by way of a coastal impact study the physical effects of the proposed operation and its implications for erosion. A permission to dredge will be issued only if the regulator, the Marine and Fisheries Agency—soon to become the Marine Management Organisation—and its advisors, consultees and major stakeholders, are content that the proposed dredging is environmentally acceptable.

In all cases, conservative modelling and assessments of environmental impacts are undertaken and further supported through routine monitoring. I have copious details, and I will be happy to write to the hon. Member for Beverley and Holderness to explain them and the continual assessment that goes on, such as routine monitoring of the dredger's location and the volume of aggregate extracted, to ensure that any unforeseen impacts can be identified and mitigated. Additional monitoring of the sea bed allows direct assessment of the impact of dredge on the sediment transport environment and, hence, the impact on the shoreline. If at any time dredging activities are shown potentially to be causing coastal erosion, permission will immediately be withdrawn.

There has been a significant amount of research into the effects of marine aggregates dredging in general and into the question of coastal impacts in particular. In answer to the hon. Gentleman's question, I have no doubt that the research will continue. We welcome that.

Bob Spink: Does the Minister agree that we should take particular care to monitor the impact of dredging when passing the Montgomery, a munitions ship sunk in the Thames estuary near to where the dredging will take place? If that ship were to move and spill its munitions, or even explode, it would cause widespread devastation.

Huw Irranca-Davies: That is a useful intervention and we need a proper precautionary approach to all assessments of the impact of dredging, in all parts of the UK, including the one to which the hon. Gentleman alludes.

We are not aware of any scientific evidence that marine minerals dredging, as controlled by the Government since 1968, has had any effect on the coast or significantly affected the marine environment. Modelling and field studies on the impact of individual offshore dredging licences, and their cumulative impacts, have concluded that UK offshore dredging has not contributed to coastal erosion.

I should be happy to write to the hon. Member for Beverley and Holderness, and other hon. Members who have attended the debate, with further details and references to the principal points of research, if that is of help. I recognise that the issue is complex and that there is still a job to be done to reassure communities with more independent, objective and simple advice, set out in lay persons' terms.

Mr. Stuart: MARINET, which is part of Friends of the Earth, an organisation much of whose work I applaud, takes the strong view, which it propagates on its website, that dredging has impacts that are not properly understood. It cites the Sandpit report and others to argue that there is evidence for those effects. What can the Minister do to engage with MARINET? As long as it says that the Government are wrong and are being led more by money than by scientific considerations, there will be people threatened by coastal erosion who will be afraid that the Government are not doing the right thing.

Huw Irranca-Davies: I thank the hon. Gentleman for that prompt, because I have met MARINET representatives regularly about a range of issues to do with the marine environment. Its main concerns include the impact on the marine environment as well as coastal erosion.

We accept that there will be an impact on fauna from offshore dredging. However, before dredging permission is granted, extensive surveys are carried out and they continue for the life of the licence. Surveys are also carried out in certain areas to determine the impact of dredging on shell fisheries, for example. It is worth saying that dredging can be halted, or shifted to another dredge zone in the area, should one of the monitoring reports demonstrate that the dredging is having an unacceptable impact on the flora and fauna or the fishing grounds.

I know that MARINET and others are often understandably concerned about recovery. Dredging areas are often split into smaller zones, one or two of which are dredged at a time, allowing for recovery of the sea bed. The dredging companies must obtain the approval of the Government before moving to a new active dredging zone. When a new dredging area is licensed, dredging companies will often relinquish an older dredging area of a similar size. There are ways, therefore, in which we can alleviate some of the concerns of MARINET.

I want briefly to touch on some of the additional points that were raised. I hope that I made it clear to the hon. Member for Castle Point (Bob Spink) that we want the appropriate assessments before, during and after the process to be carried out properly, so that everywhere dredging takes place it is properly determined that it is appropriate to proceed.

[Huw Irranca-Davies]

The hon. Member for Beverley and Holderness raised the contrast with Holland, and the reason for its different approach, and it is true that the approach is different there. I am sorry if I am repeating myself, but our approach involves the need to ensure that dredging, at whatever depth it happens—we do not arbitrarily set different depth levels—is driven by proper environmental impact assessments and continual monitoring. We do not distinguish between levels; we say that on all levels there should be an assessment of whether it is appropriate to go on. We do not adopt different approaches in different regions of the UK; what happens is localised to each individual circumstance, within broad parameters.

To conclude, I have no doubt that parts of the British coastline are under threat, and that the effects of climate change will only increase those pressures on coastal communities. As I have suggested, the Government will continue to respond and engage appropriately. We need to ensure that in doing so we target the right measures and resist the temptation sometimes to use dredging as a scapegoat for processes that can be natural.

Question put and agreed to.

2 pm

Sitting adjourned.

Westminster Hall

Wednesday 2 December 2009

[MR. ERIC MARTLEW *in the Chair*]

Citizens Advice Bureaux

Motion made, and Question proposed, That the sitting be now adjourned.—*(Kerry McCarthy.)*

9.30 am

Charlotte Atkins (Staffordshire, Moorlands) (Lab): I am delighted to have secured this important debate, not only to celebrate the achievements of citizens advice bureaux in the past 70 years, but to look at their current difficulties and the challenges that they face in the future.

The CAB service began life in 1939 as a national wartime emergency service. On 4 September 1939, the day after war was declared, 200 bureaux opened their doors for the first time. From the outset, the service's twin aims of providing advice to individuals about their problems and using evidence gathered during the advice process to influence policy in practice were evident. In those early days, evidence from the bureaux secured extra clothing rations for pregnant women and extra cheese rations for gardeners involved in "digging for victory".

As the blitz and flying bombs wreaked havoc on the civilian population, the first CAB advisers were busy dealing with the consequences of air raids. They were tracing missing persons, arranging the evacuation of women, children and elderly people, and helping with war damage claims for people who had lost family members and their homes.

Unexpectedly, by the end of the war there was an increase in demand for the service. Family problems, poor housing and the need to get to grips with the new national health service all presented challenges. In the 1950s, the housing shortage, overcrowding, the end of rent controls and the new availability of hire purchase led to mounting debt problems and a huge hike in CAB case loads.

The 1960s saw no relief to housing problems as rents rocketed, many people lived in slum conditions and homelessness rose. At that time, a quarter of the problems dealt with by CAB were housing-related. In the 1970s, family and personal problems remained the No. 1 issue, but housing inquiries were up 16 per cent. following the Rent Act 1974, which extended protection to furnished tenants. However, inquiries about consumer problems rocketed 46 per cent. following the consumer boom and new consumer protection legislation in 1974.

The two recessions of the 1980s led to a dramatic rise in inequality. Inquiries about debt and benefits doubled, in line with unemployment. However, it was the debt stemming from easy credit that created a major growth area; indeed, it became the single most pressing problem for CAB clients in the late 1980s.

By the 1990s, CAB was dealing with more than 7.5 million inquiries a year. Benefits, including the new child support scheme, became the No. 1 issue and changes to disability benefits and cuts in support for asylum seekers generated a huge number of inquiries. By the turn of the century, freely available credit, combined with a lack of affordable housing, caused debt, bankruptcy and repossessions to soar. Therefore, the demand for specialist advice about money escalated.

So, for 70 years, citizens advice bureaux have been providing a free, confidential, independent and impartial service, face to face and via the telephone, and now they also provide the service online and by e-mail. That is a truly amazing record. Each year, 6 million advice issues are dealt with by CAB and 1.9 million clients are advised by local bureaux. There are also 8.8 million visits to the public information and advice website. Citizens advice bureaux are a lifeline. Furthermore, a remarkable 86 per cent. of service users are satisfied with the service and £86 million is the staggering figure for the estimated value to the economy of people volunteering with the Citizens Advice service.

Debt, benefits and tax credits, employment and housing remain the key issues on which advice is sought. Providing help might involve just assisting people to fill in benefit application forms, supporting them to exercise their statutory rights, negotiating with their creditors or offering financial education.

The Government have long acknowledged the vital role of CAB and 78 per cent. of the national funding for Citizens Advice comes from Government grants, mainly from the Department for Business, Innovation and Skills. In recognition of the increased number of people coming to Citizens Advice for help during the recession, central Government allocated additional resources of £10 million to bureaux this year, to facilitate increased opening hours. That money was very welcome, but the additional hours of advice project did not meet the needs of some of the most hard-pressed bureaux. For instance, my local Moorlands service could not take advantage of that opportunity, because current funding and staff resources were insufficient to support the changes required to expand the service, even with the additional money from the Government.

Dan Rogerson (North Cornwall) (LD): I congratulate the hon. Lady on securing this important debate. The problem that she has just outlined is crucial. We seem to be getting fewer and larger bureaux, particularly in rural areas. Therefore, does she agree that rural outreach is an issue that local and central Government might want to examine to see how outreach services can offer support in rural areas?

Charlotte Atkins: Absolutely. That is particularly important as transport can be so difficult in rural areas; that is where the online and telephone services come into their own. However, clients, particularly elderly clients, often prefer face-to-face contact, so such contact is really important too.

Each local citizens advice bureau is an independent charity. Each relies on the support of a wide range of funders, including central and local Government, charitable trusts, companies and individuals. Although everyone from the Prime Minister to primary care trusts and local councils talks up the important role of the third sector in facing current challenges, there appears to be very little additional money available locally to help the sector to continue to provide existing services or to enable it to be innovative.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend painted the statistical picture of CAB, although they themselves acknowledge that millions of people cannot get a slot to see an adviser and that their phones often go unanswered. At a local level, almost half of the money for CAB comes from the local authorities, which, as we know, will be cash-strapped in the years that lie ahead. Therefore, is there not a risk that those queues to see advisers and those unanswered calls will grow in number, to the extent that they damage the reputation of CAB? Furthermore, the additional hours of advice project that the Government are funding ceases 17 weeks today, on 31 March 2010. Let us hope that the Minister has something good to tell us in his winding-up speech.

Charlotte Atkins: I certainly agree with that. It is not just local authority funding that is an issue, but the fact that local authorities are unwilling to provide core funding. Often, local authorities are looking at new projects and innovative arrangements rather than the core funding that they need to provide help to those people coming across the threshold of citizens advice bureaux every single day.

Mr. Mark Prisk (Hertford and Stortford) (Con): I also commend the hon. Lady for securing this timely debate.

Like the hon. Lady, I have an excellent local Citizens Advice service in east Hertfordshire. In the last year, the advisers, despite being largely voluntary, have helped more than 9,600 people. However, I have a question for her. She talks about the balance of funding. It seems to me that the balance of national funding is skewed heavily to the National Association of Citizens Advice Bureaux, which may have understandable issues, but the real issue for the public—our citizens—is delivery of the service on the ground. The worry is that the split in value is not being shown in the value that people experience on the ground. Does she agree that it is important that that should change, because although we may need an effective centre, the most important element of the service—namely, the front-line volunteers—has to be able to do its job, particularly in troubling times?

Charlotte Atkins: The national service and the local service are equally important. At the start of my remarks, I made it clear that citizens advice bureaux have two approaches: to deal with issues on the ground and individual problems, and to gather from that advice service the lessons for policy making and development of programmes. The two approaches are complementary and I would not want to say that one is more important than the other.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend is generous in giving way in this excellent debate. Of course, we all have good bureaux in our constituencies, and Chorley's is second to none in the service it provides, but ultimately bureaux rely on the national association for specialist advice, such as on insurance and everything they need to ensure their own survival. Both the national association and the local bureaux are important and go hand in hand. Does she agree that we cannot afford to lose one at the expense of the other?

Charlotte Atkins: Absolutely, because the bureaux work to very high, nationally specified standards. We are not talking about individual bureaux doing their own thing. Their advisers are trained to a high standard, and that is controlled from the centre.

Citizens advice bureaux are a special case because they cannot charge individuals for their services. Moreover, the wide range of advice they offer to so many different types of client and their local partnership work give them a unique and valuable place in the community. Managers of local services and CAB colleagues are in great demand.

I will focus on Biddulph CAB, but the situation is the same for many other bureaux, including the one in Leek. Staff there regularly attend the local authority homelessness prevention team, community and learning partnership boards, Jobcentre Plus liaison, local community forums, local community and voluntary services, and many other events that raise community awareness of the issues they face. Such information sharing and community involvement are vital, focusing agencies and local authorities on local needs.

Local organisations want more and more input from the bureaux, but for the most part they do not want to pay for it. The exception is Biddulph town council, which increased its grant funding by 50 per cent. this year in recognition of the increased demands the economic situation was placing on its local bureau. That stands in contrast to the actions of Conservative-controlled Staffordshire county council, which has explicitly excluded core running costs from its £100,000 Closing the Gaps for Communities Fund. It is also changing the way it funds CAB so that Moorlands CAB is facing the loss of 36 of its current 54 hours of money advice from next April. That is clearly crazy, when the service is so vital.

The reluctance of funders to provide money to run core services is not confined to county councils. Most funders want to fund new, innovative projects. Biddulph CAB asked one of its current project funders to consider continuing funding the project because it had exceeded its targets and met local needs, but was told that, although an application could be made, it would go to the bottom of the pile unless it had something new to offer.

Funders often want to fund something specific, such as a particular community group or activity in an area of deprivation, but if the bureaux cannot run their core services they cannot support project work properly. For instance, most clients requiring specialist money advice or welfare benefits assistance will have been seen by a volunteer, initially through the core service. Citizens Advice is listed on most Government and other agency publications and publicity material, so the bureaux are frequently a first point of contact, but no one wants to fund those front-line core services.

However, what will happen if bureaux have to close or reduce their services, and who will pick up the pieces? If that happened, I would have a much higher case load as an MP and would lose the expertise of my local bureaux on local community and social policy issues. No organisation is better placed to gather evidence and campaign for change to improve the lives of those most in need. Most importantly, the impact on clients of bureaux closures would be devastating. It is about time we recognised the expert community role of Citizens Advice, rather than just paying it lip service.

Mr. David Drew (Stroud) (Lab/Co-op): One way we can show how much we value Citizens Advice—like other Members, I have an excellent bureau in my constituency—is ensure that those who give their time to volunteer, particularly younger volunteers, are supported in the workplace. Too often people give up volunteering because the pressures of volunteering while working are too great, but we need those people because we cannot rely only on older people to staff bureaux. I am sure my hon. Friend will agree with that.

Charlotte Atkins: That is absolutely right. With so many young people adversely affected by the recession, it makes sense for them to be trained in such work to advise fellow young people and also to develop a CV that is impressive to an employer.

When flexible new deal was introduced to Citizens Advice 18 months ago, the Department for Work and Pensions stated that priority would be given to service provider applicants who included third-sector organisations in their delivery plans. Biddulph CAB spent much time raising awareness with all the preferred local bidders of the potential for the bureau to help them to deliver that initiative successfully: helping them to remove barriers to work, such as debt; helping with claiming work-related benefits; understanding employment rights; working out whether they would be better off in or out of work; and understanding the issues that could be barriers. Those are important if people are not only to get work, but to stay in it. However, Serco and Pertemps have now been awarded the contracts for flexible new deal locally, but sadly there is no sign of the third-sector organisation that they are supposed to be using to help to deliver that service, making it much poorer as a result.

No one denies that the bureaux deliver real value for money, and of course they also relieve pressure on local authority services. Statistics for the first six months of this year, locally and nationally, show a significant increase in the number of people seeking advice. Citizens Advice provides evidence to demonstrate both the need for and the positive outcomes of its high-quality service, but the constant struggle to rise to the challenges it faces while confronted by uncertainty over funding is taking its toll on paid staff and on volunteers.

With local authorities and the Government cutting back, and with other organisations faced with increasing demands on their funds, citizens advice bureaux are in peril. We cannot afford to lose them from our high streets or to lose the great pool of skilled volunteers who have been highly trained to carry out the demanding role of bureau adviser. I ask the Minister to assure me that the Citizens Advice service will continue to have funding at least at the current level, in view of the increased demand for its services. I also ask that he consider how we can get central Government's vision for the role of the third sector fully taken on board and supported by statutory organisations locally. If we do not do that, we will see not only empty premises on our high streets, but many thousands of people left without the support they need to carry on during such challenging times.

David Taylor: In my earlier intervention I referred to the unmet need that Citizens Advice acknowledges there is, even at present. Where people have access to, and familiarity with, information and communications technology, they will get their advice online, but does my hon. Friend agree a large section of the population are digitally excluded and will not take that route to get such advice, leading to their continued social and financial exclusion? We would all be interested to hear in the winding-up speech what the Government intend to do about that problem.

Charlotte Atkins: My hon. Friend is absolutely right, particularly as advising on debt is probably the biggest issue the bureaux face. If someone is heavily in debt, they are clearly unlikely to buy expensive computer equipment or hand-held devices that allow them to access the internet. Likewise, they are less likely to pop into an internet café to access services.

The CAB vision is simple—to help even more people than the bureaux do today. Unmet need for their help is estimated to involve more than 3 million people, and each year up to 4 million calls that they cannot answer are made to their services. Demand for the service is not expected to decline before 2014.

Citizens advice bureaux are a lifeline. I urge the Minister to help to develop a strategy to keep local bureaux alive, doing the job that they do best, which they have been doing for 70 years—serving the changing needs of our communities.

Several hon. Members *rose—*

Mr. Eric Martlew (in the Chair): Order. Quite a number of hon. Members want to speak, and I would like to start the winding-up speeches at about 10.30. Will hon. Members bear that in mind?

9.50 am

Tony Baldry (Banbury) (Con): I join the congratulations to the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) on securing the debate and introducing it with characteristic clarity. I do not think that I will be out of order if I say that the last time she initiated a debate in this Chamber—which I spoke in, just a few weeks ago—it was on thalidomide. The debate took place on a Wednesday, and by the Sunday the Government had run up the white flag. I hope that we have equal success in this debate.

The core issue is ensuring sustainable funding for citizens advice bureaux. All of us could give examples of the excellent work done by the bureaux in our constituencies. I have two in mine: one in Banbury and one in Bicester. Both do excellent work. As the hon. Lady said, individually they are charities and, as such, they do their best to raise money locally. However, I think that if one did a survey on Sheep street in Bicester or the high street in Banbury, most people would say that they thought that the citizens advice bureau was an extension of the public service. Bureaux therefore find it hard to raise money. A CAB is not a sexy cause in comparison with the local hospice, the young homelessness project or the Banbury branch of the Multiple Sclerosis Society. It is a difficult ask for bureaux.

The next area of funding has generally been local government. We all have to be grown-up about this. All of us know that, irrespective of who wins the next general election, local government's projected figures for the next few years are very squeezed. Oxfordshire

[Tony Baldry]

county council has been having to explain to people in our county that it will have to make significant savings on its budget. The position is exactly the same for Cherwell district council.

Local government, of course, is hit by the recession just as much as anyone else. A district council still has to run a planning department, but it does not have the same volume of fees coming in from planning applications, and more people have to be employed to deal with housing benefit. That means that if the council is looking round, what tend to be squeezed are discretionary areas of spending, including grants to organisations such as citizens advice bureaux.

We must take a more adult approach to how the bureaux are funded. There is no dispute; everyone sees them as being of real value. The briefing sent to hon. Members by Citizens Advice before the debate makes the position clear. It states:

"Not surprisingly, the recession has substantially increased the number of people coming to Citizens Advice for help. Bureaux in England and Wales have seen large and rising increases in debt, employment and benefits related enquiries over the last year.

In particular, we are seeing an enormous rise in the number of people turning to us for help because they have lost their job, or are struggling with debts or having problems keeping up with their mortgages.

The most common reasons for debt were low income, over-commitment, illness or disability and job loss. But irresponsible lending, poor financial skills and increases in the cost of living had also played a significant part in people's debt problems."

Significantly, figures from Citizens Advice show that bureaux in England and Wales deal with 9,300 new debt problems and 8,000 new benefit problems every working day.

That is reflected in my own constituency. The Banbury CAB tells me that for the first half of this year, it received 7,300 inquiries compared with 11,000 for the whole of the previous year, and the number of individual clients whom it sees is up by 20 per cent. on the same period last year. That is largely because of the recession. There has been a substantial increase in inquiries relating to allowances for jobseekers and redundancies.

Bureaux are constantly having to scrabble around, getting grants from the Legal Services Commission or, as the hon. Member for Staffordshire, Moorlands said, hoping that they can persuade the Big Lottery Fund or someone else that they are doing something unique or innovative, so that they receive grant funding for what is unique or innovative. However, they have considerable difficulties with core funding.

It is time that the Government considered seriously how they manage to ensure decent core funding for citizens advice bureaux up and down the country. I should have thought that it was self-evident to the Government that the £10 million that they gave the bureaux earlier this year to facilitate increased opening hours has been put to extremely good use. An extra session late on a Monday in Banbury has enabled the CAB there to see 370 new clients just since March. Those people might otherwise have found it difficult to get into the bureau during the hours when it was open.

We cannot allow the future of bureaux to be permanently uncertain. That is very debilitating for volunteers, who spend considerable time training so that they can give very good advice. They also spend considerable time giving advice, and then they have to spend considerable time worrying about services and fundraising to keep them going.

David Taylor: May I reiterate that the AHA funding finishes at 5 pm 17 weeks today, on 31 March 2010? The amounts are small, but the continued tracking up of unemployment means that the cases that citizens advice bureaux deal with that relate to debt, benefits and employment will continue to track up. That must be matched by a continuation of the funding, at least for 12 further months.

Tony Baldry: I agree. Those problems will not disappear in March. Indeed, people will have continuing problems with unemployment and other consequences of the recession for many months to come. My request to the Minister is this. I appreciate that for any Department finding new money is always difficult, but it should be possible for Ministers at least to undertake to work with Citizens Advice at national level to set up a working group or working party to see how all the various pockets of money that different Departments are giving Citizens Advice can be better co-ordinated and made more sustainable.

Such a group could also ascertain how we could ensure that the CAB movement and the core activities of individual bureaux were sustained against a background of local authority funding becoming increasingly difficult. That is because for local authorities it is a discretionary spend, and at a time when their budgets are under pressure, they will inevitably have to give up or reduce discretionary spending. However much they would like to maintain it, they will have to reduce it ahead of mandatory spending.

Irrespective of the Government who are elected in March, April or May of next year, I hope that those of us who aspire to be here after the next general election will not find ourselves having to attend a debate like this next June or July in a situation in which bureaux up and down the country face wholesale difficulties. The bureaux have demonstrated the value that they give the community. They demonstrate that they give good value for money. It is time that the work of the volunteers involved was supported by consistent funding from central Government.

9.59 am

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I shall attempt to keep my remarks short, as I know that others wish to contribute. First, I congratulate the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) on securing the debate. We are here to celebrate the 70th birthday of a very important core service. Six political parties are represented in the Chamber today, which underlines the fact that we all agree— *[Interruption.]* I am coming to the redoubtable independent hon. Member for Blaenau Gwent (Mr. Davies); it is good to see him.

I will not go over the history of Citizens Advice because it has been well covered. Of the initial bureaux, three were in Wales—in Swansea, Abergavenny and Conwy. We now have 31 throughout Wales. They deal with a huge number of problems every day. My concern is about community legal advice centres, and I shall confine myself to those because of the limited time available.

The aim of CLACs was to centralise and standardise provision, but there were unintended consequences of Government attempts to privatise the advice network. For example, when the successful bidder was an outside provision company, such as the American company A4e, it threatened the existence of bureaux that had previously been in receipt of council grants. Remember that each CAB is an individual charity. As the requirements for CLACs are more stringent, if we are not careful other, smaller, third-party advice groups are also likely to lose out, or, at best, to become sub-contractors. The main bidder will salami slice the funding and contract out the work to the people who were doing it before.

There are further concerns about what will happen when the three-year contracts are up and local provision such as the CAB has been lost, but the original preferred bidder does not bid again as the contract is not sufficiently profitable. I understand that there have been problems with the CLAC in Gateshead, the original pilot. One of the main providers hit financial problems and could not get further grant support, as it would have invalidated their original tender. That led to a two-tier service being provided to local advice seekers—defeating the purpose of the new system. I am pleased to say that that does not happen in Wales.

The Welsh Assembly Government and the Legal Services Commission announced in March this year that they were concerned about the possible consequences of CLAC and community legal advice network, or CLAN, developments, and they announced a feasibility study. The Assembly Government have set a funding route, under "Making Legal Rights a Reality in Wales", without compromising the future of third sector providers, which include not only the CAB but specialist smaller charity organisations, such as debt and benefits organisations—Speakeasy in Cardiff, for example. The original situational study took place in Cardiff, the Vale of Glamorgan and Bridgend. I am pleased to say that the Assembly Government are taking a different route on the CLAC question.

Furthermore, the Assembly Government introduced other initiatives, such as "Better Advice: Better Health", which placed CAB advisers in primary health care settings. That holistic approach meant that when a patient came in and was diagnosed as suffering from depression caused by personal circumstances, for example, a CAB adviser was able to advise and help, rather than the patient being prescribed drugs or being put on a waiting list to see a counsellor. Even outside that progressive project, CAB advice works, as shown by the study conducted over three years by Bangor university, which showed that advice seekers were less anxious or depressed about their situation after being assisted by Citizens Advice.

Citizens advice bureaux have also received money from the Assembly Government for another programme to improve benefit take-up for families, especially those with disabled children. Many families are unaware of which benefits they can claim and do not take the full rate that they should receive. The Assembly Government have also spent £750,000 to create an integrated telephone service in Wales.

However, as others have said there are clearly problems facing bureaux. While the banks have been bailed out, the bureaux have not, apart from the £10 million, which is welcome—it would be wrong of me to say otherwise. Before the credit crunch, we knew that many people had borrowed beyond their ability to repay and, with personal debt estimated at about £1.4 trillion, the country could be said to have been drowning in debt. People need the assistance of organisations such as Citizens Advice, but, as the waiting lists show, it is not able to help everybody who needs assistance. Better funding to some areas is required. Additional central funding for my local CAB has been forthcoming, but the recession has led to huge pressures and there is no way I can see them being alleviated in the near future.

It is a fantasy to think that the need for this type of service will end once the country is back in economic growth. There will be a lag as people who have been made unemployed find their savings running out, and a human crisis as people struggle to avoid losing their homes or being made bankrupt. To deal with all that, proper funding of bureaux services is required.

Briefly, on local authority funding of services, the hon. Member for Banbury (Tony Baldry) made the point well that where pressures on core services appear, discretionary spend will clearly be cut back.

Finally, on a personal note, I should say that my local bureau is vital. We have an energetic, young team who are constantly there to deal with any query. I know for a fact that major issues such as housing, benefits and debt restructuring are sort of Cinderella matters in any lawyer's practice. To be honest, no lawyer in a rural setting would go into those areas—I speak as a lawyer myself—but bureaux do. They offer a valuable and specialist service. Through the good offices of George Williams and others in Dolgellau, I am kept up to speed on those and several other issues. I appreciate that the current economic climate will be with us for some years, but bureaux provide such a core service that there must be a case for direct central funding. I hope that that will be the direction of travel in due course.

10.7 am

Mr. Gregory Campbell (East Londonderry) (DUP): I also commend the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) on securing the debate, which is very worth while, given the 70th anniversary that we are acknowledging. Each hon. Member who preceded me indicated the value and worth of the citizens advice bureaux in their localities and I will be no different. I have found them to be tremendously helpful, particularly in times of economic decline, when I am sure that every constituency suffers.

In Northern Ireland we have had a particularly difficult time. Factories have closed. One closed in East Londonderry and more than 1,000 people were made unemployed in the space of a few short months. The CAB arrived and set up an advice clinic to assist, and it has done so regularly. Because it does that, it is able to provide a safety net to people to ensure that they make the transition back to work. It is a somewhat longer transition, but it none the less provides them with help and assistance that they otherwise would not get.

I will be brief, but I want to dwell for a few moments on the requirement to ensure that, beyond 31 March, as has been outlined, bureaux across the United Kingdom will be able to continue their excellent work. I fully endorse the point made by the hon. Member for North-West Leicestershire (David Taylor) in an earlier intervention.

[Mr. Gregory Campbell]

Some of the problems are not about the quality of the service that bureaux provide, but about the fact that they are inundated with clients and so overwhelmed with problems that, on occasion, staff do not answer the phones simply because they are under such pressure and there are queues of people physically trying to get in.

In and of itself, that necessitates further funding. Over the next 12 to 18 months, the economic situation will probably be as bad as it is at the moment, so it is essential that we all support the CAB across the United Kingdom, although different funding arrangements will apply in the different devolved regions.

I have an excellent referral service in my area and I would hope that other hon. Members do too. The CAB does a remarkable job of trying to assist the people who come through its doors. However, it is one thing to offer the CAB advice, help and support, but it wants something more tangible: a continuation of the funding regime and, where possible, an increase in funding to deal with the consequences of the underlying economic problems facing the entire nation.

I close by endorsing what the hon. Member for Staffordshire, Moorlands has done in raising this subject and I hope that the Minister will be able to respond positively.

10.10 am

Mr. Dai Davies (Blaenau Gwent) (Ind): Like my constituents, I thank the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) for raising this subject. At a time of recession, areas such as Blaenau Gwent suffer as much redundancy, unemployment and debt as anywhere else. The interesting thing is that, after 70 years, we are still talking about basically the same things. Our constituents need virtually the same help that they did in 1939—in some areas, they might need even more.

The most important thing about Citizens Advice is that it cares. People can go to other organisations or bureaux, but they will tend to get five or 10 minutes and then out they go. Citizens advice bureaux take their time. Their people are embedded in their communities, so they care about the people and the area they live in. In places such as Blaenau Gwent that is extremely important. We have heard about contacting individuals over the internet or the phone, but in areas such as mine, with an ageing population, people want personal contact—that is extremely important.

We had four bureaux in Blaenau Gwent, but we are now down to one, with one outreach. Over the years, the bureaux have closed as a result of cash restraints and constraints. Having said that, the service that remains around the country is extremely important, as so many hon. Members have said. If we think about it, we get paid for being councillors, but so many of the volunteers in the CAB do what they do for the love of it, and we must recognise that.

The CAB advisers are experts. Of course, bureaux are grateful for the money that they have had so far, and we hope that that money will continue. However, the Government and other bodies appoint advisers and consultants by the hour to look into things such as benefit reform. We should speak to the experts and pay them—we should consult CAB and pay them for their expertise. The people at the sharp end know where the problems are. We do not need management consultants to tell us where they are—the CAB can do that. Perhaps there is a role there that we can consider.

The Government have pledged that everyone leaving school will have a training or work place. When it comes to getting advice and guidance and learning about the community, there is nowhere better than the CAB, so why do we not use it and pay it for that work? That would be a wonderful opportunity for young people.

Another great thing about the CAB is that it does not matter whether someone is 10 or 90, because the CAB treat everyone the same—there is no age limit. Bureaux are an extremely important contact in our communities.

Another issue that I would ask the Government to consider is shared premises. I have spoken many times to our local authorities, which have huge buildings, but the CAB are forced to pay rents and moneys elsewhere.

Mr. Hoyle: This is about shared buildings. I share an office with the bureaux and the welfare rights service—it is a one-stop shop for the three bodies that deliver for the people we represent. That is the way forward, so I must endorse what the hon. Gentleman says.

Mr. Dai Davies: I thank the hon. Gentleman for that important point. We have the buildings and the facilities, so let us do things together.

We have looked at the CAB over 70 years. The problem with grant funding is that although it can be given, it can just as easily be taken away. We must find a core fund to make sure that the past 70 years will be not the last for the bureaux, but a growing period and the basis for another 70 years and beyond.

10.15 am

Mark Williams (Ceredigion) (LD): I congratulate the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) on securing the debate. It is a privilege to follow the hon. Member for Blaenau Gwent (Mr. Davies)—I think that I can call him my hon. Friend—and I congratulate him on his contribution. He speaks with great passion, and we all empathise with what he said. This is a timely debate. It is a celebration of 70 years of diligence and hard work, but it is also tinged with the hope that the Minister will be able to help us in a few moments.

My constituency is served by two citizens advice bureaux, one in Cardigan and one in Aberystwyth. I have worked with them on numerous occasions on not only projects and general issues, but specific individual cases, and I can testify to the expertise of their volunteers and paid workers. Cardigan CAB has told me that it has experienced a 29 per cent. increase in inquiries during the recession. As we heard earlier, that is the experience of many bureaux across the country.

Citizens Advice Cymru dealt with 298,000 individual problems in Wales in 2008-09, which is a huge figure. Some 37 per cent. of those problems were debt related and 33 per cent. were benefit related, with an 11 per cent. overall increase in client issues on the previous year. In Aberystwyth, there were 1,300 new clients and 4,100 new cases in one year. Those clients represent

about 5 per cent. of the population of the town—a significant figure. The volume of cases is increasing all the time.

Citizens Advice Cymru has calculated that it has put at least £25 million back into the pockets of its clients and that it has raised the income of at least a quarter of them. According to the New Economics Foundation, that would put £75 million back into the Welsh economy. Bureaux in Wales have also assisted with £169 million of personal debt. They have negotiated with creditors, assisted clients and ensured that people can manage their debts. We can all think of the countless individuals who have come to us. Sometimes, we may not have had the expertise or specialism to deal with them, so we have forwarded them to advisers at the CAB.

The message from the debate will be that we need to continue the £10 million increased-hours funding—that is a core message. The Cardigan bureau has received that funding, which has allowed it to see an additional 470 clients by opening for longer hours, five days a week. Again, that is a significant number for a small market town. However, staff at the bureau are concerned that the funding will end on 31 March and they hope that it will be renewed so that they can meet the 29 per cent. increase in demand that they have experienced. That is the point that I hope the Minister will be able to address today.

The Cardigan bureau's funding has come from a variety of sources. The bureau is scrabbling around for funding from different sources for different projects. Sources include the Ceredigion and Pembrokeshire county councils, the Legal Services Commission, the financial inclusion fund, the National Assembly for Wales and town and community councils. The core funding from the two local authorities has amounted to £35,000 a year.

Local authority funding for bureaux in Wales amounts to about 37 per cent. of the total, compared with a laudable 8 per cent. from the National Assembly Government. However, as the hon. Member for Banbury (Tony Baldry) and others have said, the pressures on local authority budgets mean that just as more people are trying to get through the CAB's doors, budgets are being squeezed. I had the strange experience of a constituent asking me to complain to the CAB about not being able to get an appointment to see an adviser—that is the bizarre nature of the problem. My constituent was told in no uncertain terms that there was a much broader political funding issue, but we were able to help him none the less.

Ceredigion has had a better funding settlement this year from the Assembly Government, but it still does not match the demand on services. Ceredigion is continuing to provide funding to Aberystwyth, as it did before, despite the fact that the transfer of our housing stock to a new housing association has meant that that housing association has decided not to buy the services of Citizens Advice. It is entitled to make that decision but it is not without implications. However, the reliance on local government funding in Wales has certainly been a problem, and that is true throughout the United Kingdom.

There was until quite recently some uncertainty about the Aberystwyth bureau, and among other things there was a huge wave of feeling in the community. People were collecting signatures on petitions in the street, and there were letters and e-mails urging the county council to make some transitional funding available so that a bureau could carry on in a university town of 20,000 people. Mercifully it now can, as some additional funding has been made available for the next year. I could not countenance a town of that size being without a citizens advice bureau.

The issue goes beyond debt relief, although that is critical in this time of recession. The citizens advice bureau has been co-ordinating a financial education project in the community, looking beyond the immediacy of a crisis into more general service provision. It has also allocated some funding—I think it is Assembly funding— to appoint a worker to look into benefits for children with disabilities. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) alluded to those issues. Perhaps we do not always associate such detailed project work with citizens advice bureaux, but it takes place, and that reminds us of the innovation and expertise of the staff and volunteers.

My hon. Friend the Member for North Cornwall (Dan Rogerson) intervened on the hon. Member for Staffordshire, Moorlands early in the debate, and mentioned the critical issue of rurality and inadequate public transport. It is an illusion to think that people in Ceredigion, or much of rural Wales, can even get to a citizens advice bureau in one of the principal towns, but our bureaux have worked hard to develop outreach facilities in other towns, so that older people, young mums and others can get to the services more readily. That is a huge issue. Departments sometimes find it difficult to develop models of service provision in rural areas, and it is also a big challenge for the third sector.

Citizens Advice Cymru has given advice from 260 locations in Wales, 47 in main offices and 161 in outreach locations. We should recognise that Citizens Advice is taking its services to people, particularly in rural settings, and not necessarily expecting them to get to the services. Citizens Advice Cymru, as the hon. Member for Meirionnydd Nant Conwy mentioned, is developing a single national advice line, to cover the whole of Wales by October 2010. That is important because of the nature of devolution, and the different schemes provided by the Welsh Assembly Government. It is also important linguistically that a service should be provided in both languages in Wales.

The message of the debate should be to celebrate the work of the excellent volunteers who give their time in a spirit of public service. I hope that the Minister can respond to them positively—and the wider community, too.

10.23 am

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I congratulate my hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins) on securing this important debate. I am glad of the opportunity to speak. We have heard from hon. Members who represent Welsh and rural constituencies, and constituencies in all parts of the country, and I want to speak for inner-city constituencies, which have their own particular needs, for which Citizens Advice is vital.

I have, in 22 years as the Member of Parliament for Hackney, worked closely with the citizens advice bureau, and I and my constituents have had reason to be grateful for its dedication and the high quality of its legal advice.

[Ms Diane Abbott]

Such a constituency, with a very diverse community, is often prey—I say this with all due respect to the solicitor among us—to shoddy legal advice from so-called immigration advisers and legal advisers. The citizens advice bureau is the one place where my constituents, some of whom are from highly marginalised communities, and whose first language is not English, can go to get disinterested and high-quality legal advice; that is not always possible on inner-city streets.

The bureau is a particularly valuable resource in Hackney, which is one of the poorest constituencies in the country. We are ranked as the most deprived area in England, according to the indices of deprivation 2007. The demand for the service is always high, and queues or inability to get appointments are an issue. However, that is not caused by the citizens advice bureau. It is a funding problem. The Hackney bureau has done its best to maintain its services. As other hon. Members have said, good advice can change people's lives. My constituency's citizens advice bureau gives more than 10,000 Hackney residents a year help that they might not be able to get anywhere else. It has prevented evictions and worked to increase local people's income through benefit checks. It has helped with claiming benefits and challenging decisions. Clients can also feed back into the service advice that helps with health and well-being, as well as helping to resolve problems and tackle poverty.

Other hon. Members have talked about the importance of the volunteers. Seventy-eight per cent. of workers in citizens advice bureaux are volunteers, and they give more than £85 million of free time a year between them. In a highly materialistic and atomised society, the spirit of volunteering and helping each other, without looking for pay, is one of the most important things about the citizens advice bureaux. It runs counter to the social trends of the past 20 years, in many ways.

Hackney is a very deprived constituency, so one might think it would be the least likely place in which to find people with time to volunteer, but at any one time there are more than 50 local people who volunteer to help the community at the citizens advice bureau; we have a core of 50 volunteers. The bureau has won local victories. It was able to increase the school uniform grant in Hackney from £60 to £100, after surveying local schools and parents and finding out how much it cost to get a uniform. It had that positive input to policy as well as helping individuals.

There are nevertheless funding issues, and systemic issues about some of the problems that citizens advice bureaux are asked to take up. In the few minutes remaining to me I want to flag up the issue of old tax credit overpayment debts. Citizens Advice continues to be concerned nationally about the continuing hardship and stress of people who are still repaying tax credits that were overpaid during the first two years of the system's operation. Next year's pre-Budget report will be an opportunity for the Government to deal with the problem of tax credit overpayment. We all know the problems with the system. People who are entitled to tax credits are frightened off from claiming them because they have heard of people who are harassed and burdened with a debt that is not really of their making.

Members of Parliament and Citizens Advice know that the standard of administration of tax credits was very poor in the first two years of the system—a fact that the Government have acknowledged. In addition, the level of support that is now available to help people with their claims was not available in the first two years. It is wrong that claimants with overpayment debts dating back to 2003-04 or 2004-05 should still be struggling to establish the extent of and reason for their debt, and to repay the balance, which forces them further into debt.

The efforts of Her Majesty's Revenue and Customs to write off more old tax credit overpayment debt are welcome, but more needs to be done.

Mr. Eric Martlew (in the Chair): Order. Will the hon. Lady relate her remarks to Citizens Advice?

Ms Abbott: Yes; but Hackney citizens advice bureau is particularly concerned about long-standing tax credit debt, and so is Citizens Advice nationally, so I wanted to flag it up. The Minister may not be able to respond on the issue today, but I hope that he will consider it.

I value Hackney citizens advice bureau because of the quality of the advice that it offers my constituents, and the care and time it gives, which are not necessarily available elsewhere. I value it because it symbolises the idea that no man is an island in this harsh 21st century. There have been struggles, and issues have arisen at local authority and Government level, but I am very glad that my hon. Friend the Member for Staffordshire, Moorlands secured the debate, and I look forward to the Minister's response to the many important points that have been raised this morning.

10.29 am

Lorely Burt (Solihull) (LD): I add my congratulations to the hon. Member for Staffordshire, Moorlands (Charlotte Atkins). I also congratulate the CAB on achieving 70 years of the most fantastic service.

Several hon. Members have talked about the volunteers who make CAB—their team spirit, expertise and training, and everything done on a shoestring, of course. I can probably top the examples of care and dedication that the hon. Member for Blaenau Gwent (Mr. Davies) in particular raised. I went to see one of my constituents, who had an industrial injury problem. His CAB adviser, who had been advising him for years, brought the papers to the guy's home in a holdall. The number of hours of care and dedication that that volunteer had put in was astounding.

Citizens advice bureaux, a little like MPs, aim to give free advice on any issue to anyone. I work closely with the two bureaux in my constituency, in Solihull and Shirley. We often swap clients—I send them people who need the technical expertise and they often send people to me when they cannot help them any more, saying, "The last-ditch attempt is to go and see your MP."

I would also like to pick up on the national aspect of the work of Citizens Advice, on consumer and benefits issues in particular. I secured a Westminster Hall debate on will writing and the need for regulation, for which I used Citizens Advice and the expertise of its advisers with their clients to determine their level of concern over unregulated people writing wills.

Dealing with the recession preoccupies everyone at the moment, and the citizens advice bureaux are certainly getting their fair share of the problem. The average debt of a person going to see the CAB has risen from £10,600 to £17,000-worth of unsecured debt. Every day, bureaux deal with 9,300 new debt problems; debt alone constitutes a 27 per cent. increase in case load. Eight thousand new benefit problems are received every day. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) talked most eloquently about tax credits, which are a huge problem, with inquiries up by 22 per cent. Overall, inquiries and clients are up by 17 per cent. in April to June '09, compared with the same period last year.

I hate to be the harbinger of doom, but my reading is that, even though the Chancellor says that we shall reach the turning point of the recession at the turn of the year, that will not necessarily mean that things get better. As companies restructure, there will still be increasing job losses, so the problems are not suddenly going to get better and the need for support for people from the CAB and for funding from the Government and other bodies will be even greater.

I am very concerned about the threats to funding. We have heard about local authorities having to deal with a greater increase in demand for their services, such as housing benefit and school meals, yet having less income—from planning applications or any reserves not attracting interest because of low interest rates—to meet that demand. A council tax rise of 3.5 per cent. is suggested as the average to enable local authorities to fund all the additional demands.

My first question to the Minister concerns the £10 million-worth of additional hours funding. Can he confirm that it will be extended when the one-year period expires?

I also want to ask about the new Government legal advice centres. If funding is taken away from Citizens Advice to fund that new service, which I am sure is welcome, the bureaux could lose 70 per cent. of their Government funding. Can the Minister confirm that Citizens Advice funding will be preserved?

I want to ask about the procurement process. Procurement tenders seem to be getting bigger and bigger and less and less local, and they are more complex for small charities to fill in. We have heard the story about Hull CAB, which lost out to A4e, a private contractor. That seems to justify the whole spirit of CAB and other charities. I know that the Government do not want to interfere in the procurement process that is done by local authorities, for example, but I think that guidelines should be issued about procurement, because as we have heard from so many hon. Members this morning, citizens advice bureaux have to worry year to year and live hand to mouth to preserve their funding. They have so many better things to do instead of worrying about whether they will have funding.

I want to echo comments, particularly those of the hon. Member for Staffordshire, Moorlands, about core funding. Will the Minister please look at the possibility of an increase in core funding and some certainty for the future for an organisation that, for the past 70 years—and I am sure for the next 70 years—is doing a fine job for the country?

10.37 am

Mr. Henry Bellingham (North-West Norfolk) (Con): I congratulate the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) on securing the debate and on the impressive way in which she presented her case on behalf of citizens advice bureaux. I would like to declare my interests, which are in the Register of Members' Financial Interests.

First, I praise my local bureau, in King's Lynn, which does a first-class job. It is a vital part of the community and, indeed, a lifeline for many of my constituents. There are countless stories, which have been told to me, about how the permanent staff volunteers in the CAB have helped people get their lives back on track. I also testify to the fact I have referred constituents to the CAB, which has been incredibly responsive. Indeed, the CAB has referred a number of constituents to me, for references to Ministers, local authorities and perhaps to other quangos or utilities, so we work well together. The CAB is a pivotal part of the community, which is a point made by a number of hon. Members this morning.

Citizens advice bureaux also take pressure off other agencies, which is why I would submit that, in the scheme of things, whatever money Government spend on bureaux is more than saved through pressure being taken off other agencies. I wonder if the Minister has ever asked his Department to study that, because the results would be interesting.

I also praise the work of a number of local solicitors, not just in my local CAB but in many other bureaux up and down the country. They generously give up their time pro bono. Without that extra, specialist help, many bureaux would not be able to provide the service that they do.

As other hon. Members have pointed out, the economy is facing huge challenges, which obviously means a great deal of extra pressure on citizens advice bureaux. My hon. Friend the Member for Banbury (Tony Baldry) made that point very clearly, as did the hon. Member for Solihull (Lorely Burt) a moment ago. I understand that over the past year there has been a 51 per cent. increase on the previous year in calls and visits to bureaux involving mortgage and loan arrears. That is staggering. There has also been a 22 per cent. increase in bankruptcy problems. Last year, CABs handled nearly 2 million debt cases.

I think that everyone agrees that CABs' role in helping our constituents and the citizens of this country find a way around the problems caused by the recession is more important than ever. Now is the worst time for any pressure to be placed on their funding streams, but such pressure is inevitable as local authority budgets come under increasing strain, as I can see in my constituency.

I reiterate to the Minister what the hon. Members for Meirionnydd Nant Conwy (Mr. Llwyd) and for Solihull said about CLACs and CLANs, or community legal advice centres and community legal advice networks. I hope that he is aware of what is going on. The idea behind CLACs is undoubtedly sensible: it makes sense to assist clients with a plurality of problems in a joined-up way. However, I am concerned that no pilot has been done. So far, as I understand it, the Legal Services Commission has jointly commissioned CLACs in Gateshead, Leicester, Derby, Portsmouth and Hull, and

[Mr. Henry Bellingham]

five new areas were announced towards the end of last year in Manchester, Stockport, Wakefield, Barking and Dagenham.

Impact on the ground is already a problem. As colleagues have pointed out, the CAB in Hull has lost 76 per cent. of its funding and reduced its staff by a similar amount. It is under a great deal of pressure and may well have to close. Indeed, the law centre in Leicester has closed. The problem is the narrowness of tendering specifications. The tendering is for specialist legal aid and advice work, and the other work carried out by the CAB is not taken into consideration. We have a "winner takes all" system. I am concerned about that, because I do not think that the Government have considered it carefully enough or done enough research. Why has a proper pilot not been done? The system might have been a good idea when the economy was booming, but it is now under great pressure, and for the Government to say that CABs are incredibly important while another Government agency takes money away from them through the tendering process makes no sense.

That is just the CLACs. I am equally concerned about the CLANs, which are the networks that will apply in rural areas. So far, none have been launched, but a number of discussions are taking place with various local authorities. One problem is simply that the Legal Services Commission is bound by statute to spend its money only on specialist-level legal services. It does so through contracts with various solicitors, private companies and organisations such as law centres and CABs.

I have a memo from a county council that is in discussions with the Legal Services Commission. I cannot give the name of the county council, as that would be breaching confidentiality, but it points out—this is probably typical of county councils, and, indeed, some unitaries, across the country—that of about 15 CABs in the county, five do not yet have the specialist-level quality mark necessary to deliver legal aid, so they are out of the equation completely. One particular CAB in the county has never wanted to deliver a specialist service because it has not wanted the restrictions that an LSC contract might place on it.

One question in the county council's confidential briefing is what would happen if the CABs did not win the open tender for the CLAN. The result would be that if the county council decided to proceed, the £350,000 it spends on CABs would be reallocated, obviously, to the CLAN. The briefing goes on to point out that the CABs that currently hold LSC contracts would lose those contracts. Basically, the bottom line in that particular county is that if the CABs do not win the CLAN contract through the tendering process, there will be mayhem among the CABs. Some will survive and some will carry on doing the 26 per cent. of their work that consists of general advice, but they will not be viable on that basis, as they will have lost local authority funding.

I hope that the Minister will consider that concern, because the Conservatives have been raising it for months now. Is it a classic case of a Department having all the right intentions—a joined-up, one-stop-shop approach to dealing with clients who have a plurality of problems must make sense—but doing it in a ham-fisted way, without a proper pilot. That makes no sense whatever. I hope that he will address that point. We are all concerned about local authority budgets and his Department's budget, but this is a classic case of unintended consequences. It is something that the Government could do straight away: they could say this morning that the CLAC and CLAN programmes will be put on hold. The programmes will remove vital funding from a lot of CABs.

I have one final point to make on the separate issue of employment tribunal awards. I am concerned that every year, CABs across the country deal with roughly 1,000 unpaid awards— *[Interruption.]*

Mr. Eric Martlew (in the Chair): Order. Is it your mobile phone that is vibrating?

Mr. Bellingham: I am sure that it is not, Mr. Martlew, as mine is turned off, but I will put it over there for avoidance of doubt. It is always my policy to turn off my mobile.

Roughly £4.5 million in employment tribunal awards that have not been enforced is outstanding at any one time. The problem is that employment tribunal awards must be enforced by the individual who wins them. Employment tribunals have no powers to enforce their awards, so the employer who wins his case must take it through the county court, or through the High Court in due course, if need be. Legislation on the matter was introduced in the Tribunals, Courts and Enforcement Act 2007. Section 27(43) of that Act includes a process for speeding up awards. They need not be registered in a local county court before enforcement action can be initiated, which obviously saves a great deal of money.

I understand that that particular measure has not been commenced, so the Minister might care to consider it. It has a knock-on effect for bureaux, because they must invest a lot of money in employment tribunal cases. When the individual's award is not enforced, they must go back to the CAB for advice on how to go through the county court system, which costs a substantial extra amount. This would be a good way to save some bureaux money at the margin.

I hope that the Minister will put our minds at rest and tell us that the Government will take action. That action will not cost a great deal; in fact, it will cost no money at all, as it is just a question of talking to other Departments, particularly the Ministry of Justice, and ensuring that the two issues that I flagged up are considered as a matter of priority. I hope he will answer those points, as well as putting our minds at rest that this truly remarkable service will be fit for purpose to help our constituents to deal with their problems during this recession.

10.48 am

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): I congratulate my hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins) on securing this important debate, and everybody else who has contributed. This has been a wide-ranging and interesting debate. I join others in congratulating the citizens advice bureaux on their 70th birthday and on all the fantastic work they have done during that period.

Given the time available, I will refer briefly to what hon. Members have said and then make some more general remarks. My hon. Friend pointed out the valuable work done in her constituency by her local bureaux and

the pressure that they are under. However, I was concerned at what she said about the contracts with the Department for Work and Pensions and the flexible new deal, and the lack of third-sector involvement. I will be happy to talk to DWP colleagues about that, because the Government vision to which my hon. Friend referred is very much that the third sector should be involved in delivering such services.

My hon. Friend referred to additional help from the Government for the third sector. Help for Citizens Advice is being given not only as a result of the recession. For example, since 2001 the income generated for the third sector by the Government has risen to £12 billion—a £3.6 billion increase in recent years.

The Government's commitment to the third sector is not merely rhetorical, but a genuine financial commitment on the level of support for the third sector, as it will help the Government to deliver their priorities. It will also help the third sector to do what it does best—reach down into those parts of our communities that the Government cannot reach. Indeed, in my former role as Minister for the third sector, I introduced a recession action plan, which in August this year brought in an extra £15 million that went to 558 organisations, and a £16.5 million modernisation fund. Help has been given over and above the help for citizens advice bureaux, to which my hon. Friend referred.

If I may, I shall return later to the question of additional hours raised by my hon. Friend. However, she said that her local CAB was not included in the additional hours project. That decision, of course, was taken by Citizens Advice, rather than the Department. We wanted Citizens Advice to decide where the additional hours should be allocated, but I take the point that the requirements could not be met for her local CAB.

The hon. Member for Banbury (Tony Baldry) called on the Government to provide core funding for local bureaux. The Government provide core funding not for local bureaux, but for the National Association of Citizens Advice Bureaux. However, I welcome the hon. Gentleman's support for Citizens Advice. Twenty-five years ago, at the heart of another recession, Citizens Advice was attacked by the Government for being critical of their response to the recession. It was accused of being a hotbed of radicals and revolutionaries. In reality, that is not a description of what Citizens Advice is about, so it was refreshing to hear that the hon. Gentleman recognises and supports the importance of Citizens Advice in helping people through the recession.

The hon. Gentleman referred to the Government's additional funding, which is helping 370 extra clients in Banbury. However, it is for local government to organise the local delivery of services through citizens advice bureaux. Each bureau is an independent charity, as he will know, and they are supported by the network, which is supported by funding.

Tony Baldry *rose—*

Kevin Brennan: Given the time constraints, if the hon. Gentleman will forgive me I shall try to answer as many Members as I can. If he wishes, he can contact me later about any other points.

It would be a big thing for the Government to be involved in the funding of individual local citizens advice bureaux. On reflection, I am not sure that that is the right way forward. Yes, local authorities are under pressure, but the provision of good advice services is a priority for local authorities, and they should not retreat to a position of protecting only what they directly deliver. They should consider the value that the third sector can bring to local authority priorities, and in these times advice should be a top priority.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) was one of three Back-Bench Members from Wales who contributed to the debate. He made an interesting point about the changes that have been made and the so-called CLAC provisions for community legal advice centres in Wales. We were here last year, as I attended a debate instigated by my hon. Friend the Member for Cardiff, North (Julie Morgan) on that very issue. However, in an interesting contribution, the hon. Gentleman pointed out the other way forward.

The hon. Member for Meirionnydd Nant Conwy criticised the Government for bailing out the banks rather than supporting Citizens Advice. Had the Government not saved the banking system, bureaux would have faced much longer queues of people who had lost their life savings. That is not quite the comparison that he wanted to make.

The hon. Member for East Londonderry (Mr. Campbell) pointed out the good role played by citizens advice bureaux in Northern Ireland, and the different funding streams available there. He also referred to the ongoing need for support.

The hon. Member for Blaenau Gwent (Mr. Davies) spoke of the history of his constituency in the 1930s, when CAB started. Male unemployment in Brynmawr in his constituency in those days was more than 68 per cent. As he knows, my mother was growing up in Nantyglo in his constituency at the time. The Government's philosophy in trying to support Citizens Advice in dealing with the recession is rather different from the means test that his constituents and my family faced then. However, he made a good point about shared premises. That would be a good way to cut costs, and local authorities could support bureaux in kind.

The hon. Member for Ceredigion (Mark Williams) pointed out the importance of the additional hours project. I shall refer to the project later, but it has helped more than 400 clients in his constituency.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) said that Citizens Advice can offer alternatives to poor-quality legal advice such as in this old joke: "If I give you £100, will you answer two questions?" to which the answer is, "Yes. What is your second question?" The number of cases of bad legal advice referred to Citizens Advice that come to MPs' constituency offices is a matter of great concern. My hon. Friend made a valid point about bureaux helping people in a real and tangible way to deal with eviction and other problems in her constituency, and spoke of the need for continued funding. She also said that diverse communities need particular help. As part of the face-to-face debt advice project, we have budgeted for such things as translation facilities for all projects, which is important in communities such as those in Hackney in my hon. Friend's constituency. We have also provided British sign language facilities for other excluded groups such as the deaf and so on.

[Kevin Brennan]

The hon. Member for Solihull (Lorely Burt) said that she did not want to be a harbinger of doom but went on to be one in her description of the economic outlook. Nevertheless, she passionately pointed out the importance of the services that bureaux provide. She also pointed out how they should be treated in procurement situations. However, advice is available from the National Association of Citizens Advice Bureaux in such situations, and it is supported by the Government. I agree that it is important that the third sector is taken into account in Government procurement. That is why we created the Office of the Third Sector, which can provide support.

The hon. Member for North-West Norfolk (Mr. Bellingham) invited me to make up policy on the hoof. I must disappoint him, but I shall look into what he said about employment tribunal awards. I shall seek advice, although not from NACAB, on his question about the impact of CLAC and CLAN plans. He was not able to name the source of the information that he gave, but he told us how those plans might affect CAB funding for one county. I am happy to investigate that further with officials.

One point was central to the debate: Members wanted to know about funding, and particularly about the additional funding that the Government are providing at a time of recession. This year, the Department for Business, Innovation and Skills allocated £21.47 million of grant in aid to enable NACAB to provide the essential leadership and support to local bureaux. It will seek to monitor and maintain standards, train staff and volunteers, and help to strengthen the bureaux network. It will also provide case data and evidence from bureaux, allowing the Government to inform and communicate policy developments. Central funding is provided through the Department for that reason.

Feedback has been important in building and maintaining a modern regime, ensuring that consumers are treated fairly, empowering people and ensuring that they know their rights, and helping bureaux to cope with the significant increase in demand for local services through measures such as the additional hours project, which give additional support.

The further £10 million of funding, which lasts until 2010, is enabling bureaux to extend their opening hours for generalist advice. That funding was announced in last year's pre-Budget report. It has been a success, but it was meant to be a temporary measure. I cannot anticipate the forthcoming pre-Budget report. However, the scheme has been highly successful: 324 participating bureaux have been able to advise a huge number of clients in a large number of locations. That is well on the way to beating the Government's original target of helping 335,000 more local people. Although I cannot say any more today, this being a matter for the Chancellor, I acknowledge the success of the scheme in a time of recession.

Israeli Goods (Labelling)

11 am

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): In this debate, I shall concentrate on the labelling of food products from Israeli settlements in the west bank. Food labelling is the responsibility of the Department for Environment, Food and Rural Affairs, and I will ask the Minister to explain what is happening about the issuing of revised labelling guidance to retailers; why there have been such continued delays; and why the Department is failing, in my view, in its duty of consumer protection.

The labelling of food products is governed by both UK and EU law and serves the purpose of giving clear and complete information to consumers, to allow the customer to exercise choice. It is well established that, as well as needing to know the nutritional content and ingredients of food products, consumers need to be able to exercise ethical choices—for example, to be able to identify if a product is organic or fairly traded and to know its country of origin. A number of key issues may lead consumers to wish to avoid purchasing goods from Israeli settlements, but current labelling practices do not give them that choice.

First, I shall summarise the reasons why settlement goods are a particular case. The official position of the British Government is absolutely clear: Israeli settlements in east Jerusalem and the west bank, plus those in occupied Syrian territory, are illegal under international law and are an obstacle to peace. That view is in line with that of the rest of the international community, including the USA. Currently, most media attention is given to the homes that continue to be built within existing settlements and the new residential settlements that continue to be established, but another important aspect of the illegal settlements is the agricultural produce that is grown within them and the various other goods that are manufactured in industrial enterprises established there. Anyone who has been to the west bank and, indeed, to Gaza before the settlements there were dismantled will have seen that the settlements typically enclose very large tracts of land—much, much bigger than is required to accommodate the housing that is built within them—and that much of that land is used for agricultural production. The sale of that agricultural and other produce from the illegal settlements contributes significantly to their economic viability and thus to their continuation.

For many years, that agricultural produce was deliberately mislabelled by the Israeli authorities as "made in Israel" and exported to the European Union under the EU-Israel trade agreement, thus benefiting from the trade preference and avoiding import duty. The European Union has now started to prevent that practice. Her Majesty's Revenue and Customs requires the importing authorities to give the postcode of origin, and only goods identified as originating from within the internationally recognised borders of Israel are permitted to enter under preference. Goods identified as from settlements cannot legally be labelled "made in Israel" and should pay full import duty. Ruling in a case involving the German courts and Brita bottled water, the European Court of Justice recently reaffirmed that the trade agreement applies only within the 1967 borders of Israel.

Significant doubts remain, however, as to whether HMRC is policing the process effectively. Written parliamentary questions have shown that HMRC made only two requests for further information on suspect Israeli imports in 2008. It is well known that Agrexco, the major Israeli fruit and vegetable exporter, allows agricultural produce from the settlements to be mixed with produce from within Israel, with the whole then being exported as "made in Israel". I will pursue Treasury Ministers on the steps that HMRC will take to institute more effective control of imports of Israeli produce to end the admixture of illegal settlement produce, which seeks to flout EU regulations and unlawfully claim the trade preference on produce that is contaminated with settlement goods.

Since the "made in Israel" rules began to be enforced more effectively—albeit still not totally effectively—produce from the settlements that is declared as such to HMRC is permitted to be imported and sold. Such produce is commonly labelled "West Bank" or "Jordan Valley", but both those descriptions could apply either to goods produced by Palestinians on Palestinian land, or to goods produced in illegal Israeli settlements, and the consumer has no way of knowing which. Significant numbers of British consumers wish to avoid buying produce from illegal settlements.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate my hon. Friend on securing this extremely important debate and on the forensic and persuasive way in which she is advancing her argument. Does she agree that consumers will reasonably be worried about whether they are being tacitly complicit in an illegal act by buying goods from the occupied territories that are mislabelled "West Bank"?

Dr. Starkey: Indeed, I was just getting to that point. As I know that a number of hon. Members have come to the debate to express their support, and given that I have a detailed argument and do not intend to give way to anybody else, it might be helpful if I list for the record the Members who are present. Apart from my right hon. Friend, there are my hon. Friends the Members for Brighton, Pavilion (David Lepper), for Battersea (Martin Linton), for Birmingham, Northfield (Richard Burden), and for Staffordshire, Moorlands (Charlotte Atkins), and the hon. Member for Orkney and Shetland (Mr. Carmichael).

To return to the debate, the reasons for not buying the produce are multiple. As my right hon. Friend said, the settlements are illegal under international law and many consumers do not wish to collude in illegality by buying the produce, but there are other reasons. Evidence from a number of Israeli human rights groups, including Worker's Hotline—Kav LaOved—and the Coalition of Women for Peace, shows that workers within the settlements, whether Palestinians or Asian migrant workers, are not paid the Israeli national minimum wage, nor do the employers apply Israeli health and safety regulations. Although the international community does not believe that Israel has sovereignty, Israel obviously takes a different view, and in 2007 the Israeli courts established that for them Israeli standards should apply within the settlements. Israeli law is therefore being flouted by the minimum wage and proper health and safety regulations not being applied to the workers within the settlements. Settlement goods are therefore not only illegal but rely on an exploited, underpaid and under-protected work force.

I am pleased to say that some UK retailers—the Co-operative Group and Marks and Spencer, for example—have stopped sourcing goods from settlements, but some retailers continue to import settlement goods and for them accurate labelling is absolutely crucial. The lack of clarity in the labelling of settlement goods and the consequent confusion for consumers led DEFRA to put guidance for retailers on its website that suggested the description "West Bank", but that guidance was removed in 2008 without explanation. In March 2009, DEFRA convened a meeting with, among others, various members of the British Retail Consortium. The BRC tells me that its members—more than 90 per cent. of the UK grocery industry—want to give their customers

"the clearest information on the origin of West Bank produce."

The BRC says:

"We believe clear labelling is essential in letting customers know where products are from, allowing them to make an informed decision whether or not to purchase that product".

The BRC hoped and expected that the meeting in March would lead to renewed guidance from Government to ensure that labelling was accurate, but despite continued requests from BRC and lobbying by a number of hon. Members, including me, no revised guidance has appeared.

Given that the Foreign and Commonwealth Office made it clear in a letter in April to Lawyers for Palestinian Human Rights that it was

"looking at what practical steps"

it could take

"to discourage settlement expansion such as ensuring that goods in illegal settlements do not benefit from EU trading agreements with Israel"

and that the FCO conceded that labelling "West Bank" may not,

"in the unique circumstances of the West Bank…provide customers with as much information as they would like on who has produced or grown the goods concerned",

the continued delays in finalising the revised guidance are inexplicable, and the various explanations given by DEFRA and others in Government have been unusually coy. A written parliamentary answer from DEFRA on 16 July—three or four months after the March meeting—said that a consultation would be carried out shortly, but no consultation was carried out. A letter from the Department for Business, Innovation and Skills on 5 November simply said that it had been decided that it was best not to consult over the summer, but it did not explain why the officials had not got on with it once the summer was over.

Another written parliamentary answer from DEFRA on 23 November said that the Department

"fully appreciate the strong opinions that people have about this issue. It is because of the sensitive and complex nature of this case that the Government are still carefully considering possible next steps."—[*Official Report*, 26 November 2009; Vol. 501, c. 257W.]

It is not clear what the Department means by "strong opinions". People have strong opinions about GM foods, but that was never used as an argument not to label clearly the GM content—quite the reverse. There is a suspicion that the delay is due to lobbying by the Israeli Government, and Israeli press reports suggest that that is the case. That leads one to wonder whether it is

[Dr. Starkey]

normal for our Government to listen more to foreign Governments with a track record of flouting EU labelling regulations than to UK retailers and consumers.

It is not clear what next steps the Government are considering. There is nothing complex about the fact that the settlements are illegal and that consumers need clear and unambiguous information to exercise choice. The FCO does not think that the matter is complex and since November 2008, it has actively been working at European level to ensure that, across the EU, all member states accurately label settlement goods. BIS also seems not to admit to any problem: it knows that retailers would welcome an end to the confusion, because they do not wish to mislead their customers. Is it DEFRA that is dragging its feet, or does the pressure come from elsewhere?

In the end, this is an issue of compliance with consumer legislation. In March 2009, in an attempt to address the current situation, Palestinian human rights lawyers submitted to the Government legal advice from Kieron Beal, which sets out the possible legal liability of retailers. The advice points out that the label "West Bank" is something that could clearly influence a reasonable consumer—obviously, a legal concept—in the context of his or her transactional decisions. It suggested that retailers may at present be at risk of prosecution under the Food Labelling Regulations 1996 and/or the General Food Regulations 2004. If the product in question is subject to regulation 5(f), retailers run the risk of criminal prosecution if the country of origin designation is either wrong or sufficiently ambiguous that it might mislead a purchaser to a material degree as to the true origin or provenance of the food.

The lawyers further highlighted the Consumer Protection from Unfair Trading Regulations 2008, which are apparently derived from the unfair commercial practices directive 2005. The advice states:

"Certain retailers may also be at risk of finding themselves in breach of Regulations 5 and 6 of the CPUTR 2008. The CPUTR 2008 should be construed in the light of the UCPD on which it is based. Article 6 of that Directive targets a commercial practice which contains false information and which is therefore untruthful…It also covers commercial practices which through their overall presentation are likely to deceive the average consumer, even if the information provided is factually correct. That appears to be apt to cover the situation in which produce is labelled as originating in the West Bank without further clarification being given."

It goes on to say:

"It follows that if: a)the presentation of material is accurate in itself; b)but is otherwise misleading either in context or through omission of particulars of clarification; c)an average consumer would be likely to be deceived or misled; d)that average consumer would, as a result, have likely entered into a transaction which he or she otherwise would not have done, had he or she known the full facts; then e)there will probably be an infringement of either Articles 6 or 7 of the UCPD."

Given that the retailers want clarification from DEFRA to ensure that they are compliant with consumer protection legislation, DEFRA must explain clearly why no guidance is being offered. I have the following questions for the Minister, of which I gave him notice beforehand.

First, why was the voluntary labelling guidance suggesting "West Bank" removed from the DEFRA website in 2008? Is it because the Government accept legal advice that "West Bank" is misleading and ambiguous and therefore unlawful? Secondly, what is the real reason for the endless delays in finalising new guidance? Is it pressure from Israel, and if so, why does that outweigh international law, obligations to UK consumers and the wishes of UK retailers? Are there technical problems, and if so, what are they? Will the Minister confirm that his prime responsibility is consumer protection in the UK and that that must take precedence over the opinions of foreign Governments? Fourthly, if the question of labelling is so complex, how many officials are currently working on sorting out the matter and coming to a conclusion?

Fifthly, has the draft guidance gone to Ministers? If it has, to which Ministers has it gone and which Ministers have approved the guidelines so far? Finally, is the Minister aware of labelling guidance in other EU member states? I draw his attention to the example of wine from the Golan heights, which is apparently sold in Swedish Government stores—they control all alcohol sales in Sweden—labelled as "Made in Occupied Syrian land". That seems to be an extremely good precedent. It is not ambiguous or misleading and it does not recognise the Israeli settlements in Syrian Golan heights.

The delays in enforcing clear and unambiguous labelling of settlement goods is yet another example of the Government's pusillanimous approach in matters relating to the Israeli occupation. It is not enough to make declaratory statements, as the Foreign Office frequently does, recognising that the occupation is illegal. Those declaratory statement must be backed up by practical policies to give force to that recognition of illegality. Clear labelling of settlement goods is one way in which the Government could do that and, at the same time, fulfil their legal obligations to UK consumers on clarity.

11.18 am

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): It is a pleasure to see you presiding over the debate today, Mr. Martlew. Let me begin by expressing my gratitude to my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) for requesting this debate, thus drawing further attention to such an important issue. I acknowledge the presence of a number of parliamentary colleagues supporting her contribution. I hope that I will respond to the various issues that she has raised, including the questions that she listed at the end.

The question of the country of origin labelling that should be given to the imports from the occupied Palestinian territories is extremely sensitive, and provokes strong and contrasting views. However, I heard very clearly my hon. Friend saying that strong views are no reason for a Government to decide not to come forward with appropriate conclusions.

My hon. Friend has eloquently drawn attention to the plight of the Palestinians in the occupied territories, and the difficulties that they experience. She has also referred to the resentment that they, and those who support them in this country, feel about the fact that goods originating from illegal Israeli settlements are simply labelled "Produce of the West Bank". All of that is against a background of deep concern, which we in the wider international community feel about the continued existence of those settlements. I should make it absolutely clear that not only is settlement building on occupied

land illegal under international law, as my hon. Friend said, but the construction of Israeli settlements in the west bank and in east Jerusalem makes it increasingly difficult to envisage a contiguous and viable Palestinian state.

The clear position of the UK Government is that we are opposed to boycotts of Israeli or Palestinian goods. We do not believe that boycotts help to engage or influence Israel or that they lead to progress in the middle east peace process.

One thing that I want to respond to is the suggestion that imports originating from illegal settlements are entering the UK described as "Produce of Israel" and are therefore benefiting from the preferential access terms available under the EU-Israel association agreement. If that is indeed happening, an offence is being committed. The EU-Israel association agreement is quite clear that only goods originating from the state of Israel itself, rather than from the occupied territories, are entitled to be imported under those preferential terms. If an importer or retailer is in any doubt about the geographical origins of goods imported from that region, Her Majesty's Revenue and Customs will be able to help them. I also acknowledge that my hon. Friend has, as she mentioned, taken this matter up with Treasury Ministers.

My hon. Friend referred to the need for consumers to be given more information about the origins of goods imported from the west bank. It is the Government's responsibility to ensure that consumers have as much information as they need to make informed purchasing decisions. The Government have received a number of representations on this issue, as have retailers. By law, an importer or retailer needs only to give a country or a recognised geographical area by way of an origin declaration. The west bank is a recognised geographical area. Therefore, as far as the Government are concerned, it continues to be perfectly legal to give that description of origin on the labels of goods imported from the west bank.

My hon. Friend has expressed a view different from that, and ultimately the interpretation of legal definitions is a matter for the courts. However, the legal advice that the Government have received does not suggest that using "west bank" as a description of origin would be considered misleading.

I understand that some consumers wish to have access to more detailed labelling information, so that it is clear to them whether the produce that they are purchasing is, in fact, produce of Palestinian growers or produce of Israeli settlements. As consumer demand has grown, supermarkets have been taking a keen interest in this issue. That is why we have been considering how best to address the concerns of importers and retailers in the United Kingdom who wish to respond to consumers who share those concerns.

I want to deal with the specific question that my hon. Friend put at the end of her speech. It related to labelling arrangements that apply in Sweden, for example, to wine imported from the Golan heights. The Golan region is currently under Israeli control and the situation there is quite different from that which prevails in the west bank. The west bank is a mixture of Israeli settlements and Palestinian producers. That is why our guidance will focus on the west bank.

This issue is a complex and sensitive one, and it is important that we do not arrive at an unsatisfactory conclusion. Nevertheless, I acknowledge my hon. Friend's frustration, and that of other right hon. and hon. Members, at the time that has already been taken to deal with this issue. We aim to give the Government's position before the Christmas recess.

I am grateful to my hon. Friend for raising this issue today; in doing so, she has helped to inform our position further and helped us to make that commitment.

11.23 am

Sitting suspended.

Manufacturing Industry

[JOAN WALLEY *in the Chair*]

2.30 pm

Dr. John Pugh (Southport) (LD): It is a pleasure to speak under your chairmanship, Ms Walley.

In a way, this is an odd subject for me to choose, because I am not an expert in the field of manufacturing industry and I hope to learn quite as much as I assert in the course of the debate, given the exalted company I am among, but I am driven by two motives. The first is to expiate a slight sense of guilt, because I have spent my entire life consumed with affairs such as philosophy, education and politics, but my father's career was almost entirely in manufacturing industry and he left me in no doubt from boyhood onwards that anything I did was entirely parasitic on the noble tradition of British manufacturing.

I am also driven by reflections on recent events. One event that struck me took place in my constituency. A sweet factory, which had existed for some time, closed down. It is not unusual for a seaside town to have something such as a sweet factory in the midst of it; the economies of seaside towns are quite mixed. The factory was profitable and was investing in new machinery. It was adding to the employment mix in Southport and had a good market for its goods—albeit with dental complications for some consumers of them. I was not especially fond of the product, but I did visit the factory and I had no reason to think that it would not be there for many years.

However, the factory was bought and closed down by a private equity firm. In fact, it was the same private equity firm that took over Halfords and the AA. The land was sold for housing, some of which has started to be built but none has so far been sold, due to the recession. The machinery was sold off to Slovakia—I presume that people are making Chewits out there as we speak. On one hand there was a loss of livelihood and, clearly, of employment, but on the other hand there was a profit for the investors in the private equity company. Some would be very affluent individual investors and some would be organisations such as banks and pension funds. That is, in a sense, how the market works.

Another event that triggered me to apply for the debate was something that I came across in a news broadcast. It was the story of Kemble Pianos—the last big piano manufacturer in the UK making standard, not specialist, pianos—which is being moved by Yamaha to Asia. We have to look at that and ask what has happened to the British piano industry, which at one stage was a major manufacturing industry. Clearly, the home market is not as good as it ought to be. The export market has slumped to some extent. We can blame a range of causes, including the rise of digital keyboards and the lack of decent music teaching in schools. However, the effect of the end of piano production in the UK must be a massively increased carbon footprint for pianos.

Mr. Lindsay Hoyle (Chorley) (Lab): The hon. Gentleman is correct. We are talking about a short-term gain for a long-term loss. We have seen production at the sweet factory taken overseas and the closure of the piano factory, yet the pound is now weaker and the euro has strengthened, so the people who made a quick buck ought to be reinvesting in manufacturing in the UK, as the economy is absolutely ripe for that. Does the hon. Gentleman agree?

Dr. Pugh: I do agree, but oh that it were so. I reflected on the enormous transport cost of moving a piano anywhere, let alone across the oceans, and just thought that it was not particularly in the world's or the UK's interest. If we add to that the general fact that Britain's slow emergence from recession is due in part to our difficulty in exporting our way out of recession and in part to our overdependence on financial services and a perceived and deteriorating imbalance in the economy, we have to say that it is an issue for Government in one sense or another.

The Government have a genuine interest in the shape and balance of the economy and the impact of such economic trends. To depend exclusively on the service sector, and particularly the financial sector, is an economic weakness for the country as a whole. It is a weakness in the same sense that dependence on tea was a weakness for Sri Lanka. When that commodity failed, the whole economy failed too. In part, we are in an analogous situation at the moment. Unlike Sri Lanka, which is one of the few places where tea can be grown, we have to accept that financial services can go to other places and, in certain circumstances, will do precisely that.

Since the turn of the century, manufacturing jobs have dropped by 16.6 per cent. in the UK, which I think is the lead drop in Europe. As a result, the balance of payments has worsened because manufacturing still makes up 48 per cent. of our exports, although it makes up only 12 per cent. of the economy. I do not think that anybody would disagree fundamentally with that analysis, but people often respond to it with plain resignation, as if it was simply a state of affairs that we must put up with. The reasons for that are partly ideological and partly historical.

One ideological reason that is strongly promulgated at the moment is that such economic fallout is almost inevitable, and not even a Government can buck the markets. Coupled with that is the belief that an unfettered market delivers, in some sense, the optimum outcome. I have heard arguments that it is acceptable for people to lose their jobs in Southport so that private equity firms can make money and invest somewhere else, because if that happens it will be the most efficient financial outcome so, at the end of the day, it is probably the best outcome for everybody. I see that as treating free trade almost as an article of faith.

I call that ideological because, speaking as a philosopher for a moment, I cannot see that either of those tenets—that people cannot buck the markets and that markets always produce the optimum outcome—can be conclusively verified or for that matter falsified. It is certainly the case that Governments are not particularly or universally good at bringing about the economic effects that they wish for on behalf of their citizens.

That brings me to the historical argument, and a different reason for a sense of resignation. Inscribed on the British psyche are memories of bad manufacturing policy, subsidising companies with a poor research and investment history, useless management, poor labour

relations and sometimes no real market. One can think of examples from the past, such as DeLorean and British Leyland, as well as the expression "lame duck", and unsuccessful and politically motivated economic intervention.

Mr. Tom Watson (West Bromwich, East) (Lab): I am enjoying the hon. Gentleman's contribution. Does he think that there is a great untold story in this recession? The reason why unemployment is not higher is that, unlike in previous recessions, management and trade unions, through partnership working, have negotiated short-time working, pay freezes or, in many cases, even temporary pay cuts. That is a tribute to management leadership and to modern trade unionism, which have both played their part in trying to help us get through the recession.

Dr. Pugh: It is a tribute to modern trade unionism. No doubt when the Conservative spokesman makes his speech he will credit that to previous Conservative leaders who have contributed to modernising—

Mr. Mark Prisk (Hertford and Stortford) (Con): The hon. Gentleman takes the words out of my mouth. To concur with the remarks that have been made and to make this intervention appropriate, I shall say that if both sides of a company collaborate—and there have been good signs of that in the past year—it is good for British industry and it is to be welcomed. Clearly, it is nice to know that a strong, effective framework was put in place in years past, but I applaud a good attitude on both sides, and I hope that the hon. Gentleman does too.

Dr. Pugh: Indeed, I do.

I was going on to say that this is not a knock-down, all-purpose argument against any kind of intervention by Government. Looking back at history, we always forget the effective Japanese subsidy strategy and product dumping. If we have national interest foremost in our minds, in a sense, the Japanese did it right and we did it wrong. They caused the demise of decent British industries, which could and perhaps, with proper Government nurture, should have survived. I am thinking in particular of Triumph Motorcycles. I do not know how many people know about Triumph motorbikes or motorbikes in general, but they are still considered an aspect of British engineering excellence, unfortunately no longer mass-produced but popular on the second-hand market. We draw our lessons selectively and partially.

David Taylor (North-West Leicestershire) (Lab/Co-op): May I remind the hon. Gentleman that there has been a renaissance? Not to previous volumes, I acknowledge. The company is owned by a rich constituent of mine, who manufactures not in my constituency but near the town of Hinckley in west Leicestershire. Triumph is slowly on its way back. The hon. Gentleman should not forget that it is possible to have a Lazarus-type return from the grave.

Dr. Pugh: It is a small triumph for Triumph, and I am pleased by it.

Looking at the history or accepting the ideology, we might conclude that saving British manufacturing is as futile as trying to repopulate the jungles with pandas. We cannot stop a trend once it is in place. Government could concentrate on what some people call, and I have learned to call, the horizontal approach, regarding the task of Government as simply creating the environment in which industry may, if it can, thrive. A range of things—all of which I am sure that everyone in the room applauds—is done under that heading, such as encouraging enterprise. One of my earliest activities in the House was to work on the Enterprise Act 2002. Other things include encouraging competitiveness, good regulation, fighting protectionism, providing the right fiscal stimulus for research and development and investment, encouraging cross-industry collaboration—the Government have done a great deal of that recently, in particular in the motor industry—trying to boost skills through industry sector councils and the like, and encouraging science and the development thereof.

No one is against such activity, which is the widely accepted consensus on where we need to be. However, more strategic intervention is questioned, which is partly the reason why some politicians, who can be found on all Benches, question why we need a DTI, a BERR or a BIS, and have called for their disbandment or elimination. Some people propose getting rid of regional development agencies, because they regard them as not fit for purpose, not doing the job or whatever, or as poor pickers of winners in the economic stakes. There is a bar-room view that any firm in need of a state leg-up is ipso facto non-viable and should not get any help, or that anyone who was good at successful intervention in business would not be in a development agency but would be in business intervening and making money for themselves. I pass such views on as the observations they are.

People ask if the European Union does not have a point in inhibiting—if not prohibiting—state aid. Frankly, in this country we are rather good at applying the state aid rules in a ferocious and sometimes rather procrustean way. We could look at the facts about manufacturing at the moment and say, "In any case, hasn't British manufacturing, buoyed by the falling value of the pound, emerged from the recession leaner and fitter?" Indeed, that is true. Manufacturing is not a disaster story. However, although the sector is leaner and fitter, it is also smaller and continues to be so.

David Taylor: Although I agree that the sector may be leaner and fitter, in some cases that owes nothing to the British banking system. The east midlands is the region of the country with the highest proportion of manufacturing jobs, and car components are part of that. One particular firm looked to its long-term bankers to see it through a difficult period, during which it had gone down from five, to four to three-day weeks, but could continue to trade. Reply was there none. In the end, the firm had to turn to its Indian owners in Mumbai, who saw it through and did a magnificent job in that respect. Foreign ownership is not necessarily always a bad thing and a precursor to an outsourcing of jobs, is it?

Dr. Pugh: I certainly agree with the general point that the banks have not really done their part in resuscitating British industry or keeping it going through the dark days of recession. I am not unkind enough to read it out, but I received an e-mail from someone in manufacturing industry saying that Government schemes have not done a lot more either, and that credit insurance schemes and the like did not really have the teeth that the Government credited them with having.

Andrew Miller (Ellesmere Port and Neston) (Lab): I counsel the hon. Gentleman not to confuse the number of people employed in manufacturing with the output of manufacturing. We are still the sixth biggest manufacturing economy in the world, and that must not be forgotten.

Dr. Pugh: That is a typically perceptive point from the hon. Gentleman, and one that I had considered enlarging upon, but he must acknowledge that if one claims that industry is just as vibrant but employs fewer people, one would expect to see a big increase in productivity gain across British industry, but I do not think that is there.

Mr. Watson: There is another thing we need to guard against when looking at jobs. We must accept that in the bad old days of the early 1980s manufacturing jobs would have included the security guard employed on the gate, the lady in the canteen and the cleaner in the factory. Those jobs have now been outsourced. They are totally dependent on the manufacturing economy but are now technically service sector jobs, so we must be careful when talking about employment figures.

Dr. Pugh: That subtlety had eluded me and justifies my opening remark that I will learn as much from the debate as I assert, so I thank the hon. Gentleman.

If Members will bear with me, I want to argue that the Government must do more strategically, meaning that they must do more in the way of having an industrial policy. After all, there must be some explanation why our manufacturing industry has shrunk faster than in other nations, which have all faced the same threat from the Chinas and Indias of the world, and why we may currently be making smaller inroads in the new export markets, such as China. I do not want to argue that the Government must do that, but they are inescapably bound to play a strategic role and cannot avoid doing so. It is inescapable. They must do that either skilfully, or in a ham-fisted fashion.

There are three reasons. The first is that the Government are the sole provider of public infrastructure, which can make a vast contribution to prosperity. Consider the multi-billion pound contribution the Government are currently doomed to make to Crossrail, partly to serve the financial services industry. Consider the protracted delays in projects of a similar ilk in the industrial north and midlands—Members from the north and the midlands present will appreciate that point. I could cite the Olive Mount chord in Liverpool as an example of a small engineering project that, had it been in any other city, would long since have been completed, and I dare say that other Members could cite similar instances from their constituencies.

When dealing with the current public deficit, we should consider the dangers of dramatic and ill-planned reductions in capital spending where that spending actually engineers development and economic growth. Some people believe it does not do that, but there is good empirical evidence to indicate that is exactly what it customarily does.

One has to tie in our poor manufacturing performance—or our relatively poor manufacturing performance, as there are also success stories—with our very poor record on public infrastructure when compared with other European nations. I am not sure where we are in the European league table, but we are certainly far lower than we ought to be. That is the first reason why the Government are doomed to play a strategic role and they just need to play it smarter.

Mr. Hoyle: One of the other issues we have failed to address is that our counterparts in France, Germany and even Wales have put in a short-time working subsidy to ensure that manufacturing jobs have not been lost, and that is a decision the Government should have taken. It is still not too late—we have seen France and Germany expand support for manufacturing. Does the hon. Gentleman agree that a way forward would be a short-time working subsidy, rather than Crossrail?

Dr. Pugh: There are difficulties with having an open market in Europe and not having each individual nation subsidising its own industries as it wishes, which would be antithetical to the whole spirit of having a free and open market. However, mechanisms are in use abroad that are well worth inspection by our Government because there are circumstances in which they appear to work.

The second reason why the Government are inescapably part of the strategic plan and cannot but have a strategic economic policy is that they control most of the levers of education and training. That again goes beyond the boost to nanotechnology and bioscience, and events within the golden triangle of Cambridge, Oxford and London. We need a wider range of skills and a wider application of skills to employ people who will not end up as research scientists but who are, none the less, capable of doing a skilled and satisfactory job.

Let me relate an anecdote. I recently attended my local tech college for the opening of a new drama studio by Alexei Sayle. I was delighted to see so many lively youngsters, all of whom could see themselves on "The X Factor". What slightly worried me was that the same college, excellent though it is, had a very strong reputation for teaching basic apprenticeship skills such as plumbing. I see nothing wrong with people who do one thing also doing another. However, I see something wrong in structuring education for children in such a way that their skills cannot easily be employed in a reliable way in the employment market. To some extent, Government initiatives in education have encouraged quantity rather than quality achievement, but I will not go into that now.

Thirdly, and most importantly, the Government are the principal provider of financial resources to the banks, and they have a right to know where the money is going—how much is going to small and medium-sized enterprises and to manufacturing in the UK, and how far credit lines are being tightened as the banks seek to recapitalise. They have every right to know such information, and they just need to assert themselves to get it from the banks. We are asking not for information about individual contracts with individual manufacturing firms, but for the gross trends to be plotted, analysed and identified and for the banks to be held to account for what they are doing. By and large, we own them, and it is our money that they are using.

Transparency is what it is all about, and a manufacturer, I am sure, would say that they would settle in part for that. However, transparency is not a direction; it falls

short of that. Some people have put the case against transparency, but knowing how much the major banks are lending to the manufacturing cause, the SMEs and so on is information that we have the right to know.

The case against direction is also weakening. We have had the spectacle of lame ducks in the City being rescued, but we have decided that lame ducks in the midlands and in manufacturing industry should not to be. We may have done that with a degree of grudging approval because it is necessary, but fundamentally it is being done for economically strategic reasons. My point is simple; there is a major strategic reason for having a sustainable mixed economy. It is what is needed to pull ourselves out of recession. Despite the fact that we are all free marketers, we acknowledge that there is a strategic importance to the defence industry and the agricultural sector. We accept a level of Government intervention in both areas; it is pretty well normal. There is a strategic need for a balanced economy. That should mean, in addition to all the points that I have made so far, having a hard look at the overweening influence of the retail sector, in particular of the big supermarkets, on manufacturing, because it now controls the production chain in ways that make it difficult for large manufacturers to make a decent return on investment. I understand that the Conservative party has recently spoken about breaking up the big supermarkets, and that is something all parties should seriously consider.

Careful listeners will have picked up a northern bias in my remarks, for which I do not repent in the least. It is not only me; the manufacturing industry says that, for too long, the City and manufacturing industry have travelled different roads. Now might be a good time to reflect on where each sector is going, because the Government have a role to play as a marriage broker that influences the banks—perhaps even creating new banking facilities such as an infrastructure bank—penalises short-termism in investment and that ensures, I repeat, transparency.

I am genuinely comforted—even though few people are—by the remarks of Lord Mandelson, who seems to embrace and accept an aspect of strategic economic planning. If he is a convert to my way of thinking, I just hope that the conversion is not too late. I press upon Members the need for a balanced economy for the United Kingdom that involves, for some time to come, a good manufacturing sector.

2.55 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): It is a pleasure to follow the hon. Member for Southport (Dr. Pugh) and I congratulate him on choosing this subject for debate. As all hon. Members will know, my constituency is dominated by significant manufacturing enterprises, many of which have been incredibly successful despite the recession. I shall concentrate my remarks first on Vauxhall, partly on Shell, then on downstream chemicals and finally on small and medium-sized enterprises. I will illustrate by way of example when I agree or disagree with the hon. Gentleman.

To put down one little marker, I wish to remind the hon. Gentleman that it was his party's economics spokesman, the hon. Member for Twickenham (Dr. Cable), who argued against the Government having involvement in what turned out to be the Vauxhall rescue, and a very successful rescue it has been. That came about as a result of an extraordinary partnership, and my hon. Friend the Member for West Bromwich, East (Mr. Watson) was absolutely right: it was a classic illustration of how new trade unionism—working with the Government, the management and the regional development agency—has transformed what looked like a desperate situation into one of stunning success.

Not only do we now have a commitment to the volume of vehicles that we believe is necessary to maintain job security in the medium term, but it puts us into a very competitive position from which we can launch a bid for next generation vehicles being manufactured in the UK. That really must be a goal that all parties represented in this Chamber acknowledge as worth while. We should not shy away from the fact that action has been the result of close working.

Although some fairly sharp words have been spoken on the subject during the past year, I heard Tony Woodley, general secretary of Unite, who happens to be one of my constituents, praise the role of Lord Mandelson. I also saw the same general secretary with his arm around the Vauxhall chairman, Bill Parfitt—a great man—talking about how the strategy, working together and partnership have been crucial in recovering the situation and turning it to one of UK advantage. We must not forget that. Twenty years ago, that company was in serious trouble. Let us not kid ourselves.

The transformation from the brink of failure to the high quality and high productivity that exist on the site has come about through partnership—not top-down solutions or one-way streets, but close partnership that has involved people being committed to training to the nth degree, achieving skills that have never been known in that industry and the acceptance of technologies never thought of.

Mr. Hoyle: My hon. Friend has made absolutely the case for the car industry. Does he not feel a little embarrassed, as I do, that Ministers ride around in Japanese cars involving not one British product or British job? Is it not time to go for the new Astra and ensure a commitment to British manufacturing?

Andrew Miller: I agree totally. I would ditch the fleet of Priuses, and I would ditch the Leader of the Opposition's Lexus as well. A Vauxhall Astra with a 1.9 diesel engine is far greener than the Lexus. I am absolutely with my hon. Friend on that point.

Mr. Watson: I am grateful to my hon. Friend for allowing me to mention the fact that I am the only Minister in history to argue with the head of the Government car service for a smaller car rather than a larger one. I wanted one made in Britain. Would my hon. Friend like to hear from Members on both Front Benches a commitment that, should they ever find themselves in government, they would be driven in a British-assembled, not an overseas, car? That is an important point: procurement policies in the public sector can further help British manufacturing.

Today, the Home Secretary announced a policing White Paper. His central message was that we can make savings through procurement, but what we need is the transparency that the hon. Member for Southport (Dr. Pugh) discussed. We need to know how much

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police authorities are paying for their vehicles so that we can be certain that they are not just buying BMWs because the chief constable fancies one.

Andrew Miller: I could not agree more with my hon. Friend. One would think he would have argued for a larger car, but he took the honourable route, and I congratulate him on that. I would like to hear Members on all three Front Benches give the commitment that he seeks.

Several hon. Members *rose—*

Andrew Miller: Four Front Benches, even.

Mr. Nigel Dodds (Belfast, North) (DUP): I am grateful to the hon. Gentleman for giving way in this interesting and excellent debate. As Northern Ireland's Finance Minister, I was driven around recently in a Skoda, of all things. I was keen that we should move to UK-manufactured vehicles for Ministers—not only here in Westminster but in the regions.

The hon. Gentleman mentioned partnership, new trade unionism and so on. Will he join me in paying tribute to the work force of Bombardier Shorts in Belfast, the biggest manufacturer in Northern Ireland? They have a fantastic relationship with the management there and have done tremendous work to promote and benefit the company, and to make it what it is now: one of the best sections of Bombardier in the world.

Andrew Miller: I agree totally. I go back way before the hon. Gentleman to my dear old friend Harry Cavan, who, sadly, died a few years ago, and whom the hon. Gentleman might recall. He was famous for being vice-president of FIFA as well as a great trade unionist. Harry and I often talked about those issues. It is critical to a renaissance of manufacturing in our country that we carry on such partnership work.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): My current car is a Rover '75. It is aging but not quite of scrappage age yet. My wife, a councillor, drives it most of the time. Each weekend when I go home, the most effective way to get around is to hire a car. The car that I am most often given is a Vectra. It is an excellent vehicle. The point that needs underlining is that this is about not ownership of the companies, which is nearly all foreign, but the fact that the cars are made in this country. They are made in this country because we are one of the world leaders in automated technology. That point needs to be underlined far more often.

Andrew Miller: I do not want to be pedantic, but I remind the hon. Gentleman that his Vectra is almost certainly German-built if it was manufactured after 2007. However, that is neither here nor there, and I take his point. That is two Front Benchers down; perhaps the other two will come in and agree on it.

Training, as I have said, has been a critical part of the Government support that put us into a position to bid for the new Astra, which is just coming on-stream. I think that £8.7 million came into that package in the partnership between central Government and the RDA. The RDA has played a crucial role in keeping the mood music right, not only in the relationship with the company and central Government, but in keeping the network of suppliers supported in the way that was necessary during what was a critical time. I question whether we would have achieved the success we have had without the RDA's involvement.

Some serious issues are involved, and the hon. Member for Southport referred to the example of his piano. One thing we must realise is just how cheap it is to ship things around the world. A container ship full of cars is now moved around the world for the cost of six Filipino salaries and the bunker fuel necessary to move the ship. It is very cheap to move cars around. They are now global commodities and if we are to succeed in the world that is facing us, we must get a leading edge. For example, we must pitch in for the next generation vehicles, working towards electric vehicles and vehicles powered by fuel cells. I know that my hon. Friend the Minister understands that. Unless we mark out a clear pathway towards those goals, in 20 years we will not have a vehicle industry.

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): Of course my hon. Friend is completely right, and that work is exactly what the Government are doing with the low-carbon region in the north-east and what has been done with Nissan. For the benefit of the debate, let me say that the last time we had a debate on this subject my hon. Friend the Member for Chorley (Mr. Hoyle) intervened on me and I explained that my ministerial car was a Vauxhall Vectra. I have now changed my car, and following my hon. Friend's words of just a moment ago, it is perhaps a good thing that it is now a Toyota Avensis, which was assembled, of course, in the UK.

Andrew Miller: A Toyota Avensis is perfectly acceptable, but we must remember how complex the global car market is and how, in the last 15 years, the pressure on UK manufacturers has been intense because of the globalisation of the industry.

The hon. Member for Southport is right to talk about short-termism; that has been an endemic failure of the British economy. The Prime Minister, when he was Chancellor, set in train events that have started to deal with short-termism, but it is still an underlying problem and I will refer to it briefly in a moment in the context of the banking industry.

I want to make a final comment about Vauxhall. I agree with the hon. Member for Southport about infrastructure; we need to work hard to put ourselves in a competitive situation by getting the infrastructure right. The General Motors plants in mainland Europe make inter-plant transfers entirely by railway. We cannot do that in the UK. Sadly, when the previous Government privatised the railway system, no pressure was put on the rail freight system to create the type of rolling stock necessary to keep the pressure off the motorways. As a consequence, all the inter-plant transfers made in the UK and between the UK and Germany, Belgium and so on are all made by road. That is absurd in this day and age. We ought to have that freight back on the railways.

If my hon. Friend the Minister could lean on his colleagues in the Department for Transport, my plea would be for them to look carefully at the rail lines that go from south of the Mersey and link with the west coast main line, and to examine the freight opportunities

that could alleviate the pressure on the northern end of the M6. That is not the subject of the debate, Ms Whalley, but I am sure that you will appreciate from your constituency standpoint the importance of those remarks.

Things have changed dramatically in other industries, too. Massive global enterprises—for example, Shell—are up for sale. Royal Dutch Shell, an Anglo-Dutch company, is up for sale. The preferred bidder is a company called Essar, an Indian conglomerate, which believes that it can transform the manufacturing capacity of the Stanlow refinery and make it a profit centre. That remains to be seen. There are also enormous pressures on the downstream sector.

One result of the recession was that the first companies in the petrochemical sector to take a hit were closely allied to the motor industry. For example, Cabot Carbon went because the demand for tyres fell—carbon black is an essential component in the manufacture of tyres. We will not recover such industries. To replace them, we will have to go for the high-added-value, high-tech end of the market, rather than those basic downstream chemical companies.

Mr. Eric Joyce (Falkirk) (Lab): A large automotive company in my constituency builds vehicles. It largely Scottish-owned and its Scottish chief executive is Mr. Robertson. ADL, formerly Alexander Dennis Ltd, builds buses. We heard earlier of hybrid vehicles, many of which are built abroad, but ADL's primary product for the future is the hybrid bus. It could replace buses of the sort that run in London, which are made by the same company.

Does my hon. Friend agree that the Government could do a great deal to encourage buyers? Councils and local authorities throughout the country use buses and might seriously consider investing in hybrid vehicles. Although in the first instance they will be more expensive and may appear an unattractive proposition, they will be much more attractive in the long run.

Andrew Miller: My hon. Friend is absolutely right. We have seen examples of work being done on hybrid vehicles and alternative transport in the north and in Scotland, down south in Ricardo's, and in the M25 ring where the Formula 1 market is so strong. Work is continuing with KERS—the kinetic energy recovery system—which worked so well for McLaren, but we need to transfer that technology to vehicles such as London buses. There are huge UK successes, and we must ensure that the Government support them through development and into manufacture.

My final comments will be about small and medium-sized enterprises. The real pressure in my constituency has been on SMEs. There have been problems with the banks, and some of them have promised that they will try to do better. My hon. Friend the Minister needs to use his influence and put pressure on the banking industry—Regional Ministers should do so at regional level—to ensure that small supply chain companies do not lose out. This is a critical part of the equation.

The other day, I visited a company in my constituency that is suffering as a result of the banking crisis; dozens of SMEs that have not approached me are likely to be in a similar situation. However, it is not all doom and gloom, and there are some very successful SMEs. I visited a pharmaceutical business in Neston a couple of weeks ago. Pro-Lab Diagnostics is extraordinarily successful and produces infection testing kits for virtually every NHS trust in the country. Such companies need nurturing, because they are the future of the SME sector, which consists of small specialist companies that have grown from brilliant ideas and been turned into manufacturing operations. It is critical that the Minister's Department is seen to be supporting such companies, but so should the banking sector.

It is not all doom and gloom. There are some great success stories and we should be proud of them. All of us—Government and Opposition Members—must give our maximum support to manufacturing to ensure that it is around for our children's benefit.

3.14 pm

Mr. Lindsay Hoyle (Chorley) (Lab): It is good to see you in the Chair, Ms Walley. It is a pleasure to speak in such an important debate, and I congratulate the hon. Member for Southport (Dr. Pugh) on securing it.

The debate could not have been better timed, as we see that manufacturing continues to struggle. There seems to be a renaissance in government, as the Government now realise that manufacturing is important. If nothing else, the recession should have told us one thing: service industries and finance are important, but in the end it is manufacturing that keeps our head above water.

The reason why we have not come out of the recession as quickly as other countries is that we do not have the manufacturing base. France, Germany and Italy have invested in manufacturing, and so have other countries around the world, because everybody else has recognised the importance of manufacturing. I hope that we have recognised that failure, although I say that not only about this Government, but even more about the previous Government, who dismantled manufacturing—indeed, they made an art of closing manufacturing. All of us here can agree that manufacturing is important, that it is back on the agenda and that it is something that we will build for the future.

In Chorley—great constituency that it is—we are lucky to have Alan Jones as chairman of the local strategic partnership. He is a manufacturer; he owns a company called Porter Lancastrian. He bought a huge site for his company, but he did not say, "This is mine and nobody else's." He has encouraged small businesses to come on to the site to develop manufacturing. It is important that we have an entrepreneur who is willing to help others through difficult times and to share problems. I am pleased that we have somebody who is committed to manufacturing in the way in which we have seen in Chorley.

My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) rightly mentioned the importance of the car industry, but this is about more than the car industry—it is about vehicle manufacturing. The coach, bus, truck and car industries are all important. Britain's last big truck manufacturer is Leyland Trucks—that brand name is known all around the world—and we cannot afford to turn our backs on it in its hour of need. It has been a successful company, and it is part of the American company PACCAR, but it is important that we make sure that truck manufacturing continues in this country. Leyland has developed a hybrid truck. It has also developed the idea that when someone buys a truck, the company will put on the body and complete

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the truck to the customer's requirements, so that the customer does not have to take the truck from A to B to have the bits put on. Leyland is forward thinking. It recognises that the environment and global warming are significant, which is why the hybrid truck that it is developing is so important for the future and for global needs.

It was right for the Government to invest in the car scrappage scheme, which has made a real difference to manufacturing. Although the scheme has helped a lot of overseas manufacturers—that is the price—it is keeping people in jobs in servicing, in sales and in the showrooms. However, we are nearing the end of the scheme. At the Labour party conference, we said that we were committed to putting further money into the scheme, and I am pleased to see that that has happened. However, we are on a countdown, and it is worth putting in more money to make sure that we do not leave a void and undermine the success that we have seen by ensuring that production continues. It is important for UK production that the scheme stays in place, and I hope that the Minister will reflect on that plea.

Cars, trucks and buses rely on components, so we have to invest in that sector, too. The odd thing in relation to Leyland Trucks is that we build the trucks, but we do not build the cabs, which come all the way across from France to go on a truck at Leyland—that is silly. We should be telling the Minister that now is the time to put in the investment to attract component manufacturers back. If those cabs were built in the UK, that would make a real difference. We should be attracting these things back from France because the time is right. People moved away when the pound was strong and the euro was weak, but things have now reversed, so it is time for the UK to take advantage of that. This is about making sure that manufacturing is in all parts of the UK. We should be working even harder than we have done so far.

We talk about research and development, and it is important. We talk about its role in the success of Dyson, but that company does not manufacture in the UK—Malaysia was the answer. Dyson might have been the darling of the Conservative conference, but the bottom line is that I do not want darlings who take manufacturing abroad—I want people to manufacture in the UK. We have given tax breaks and supported R and D, but we want the manufacturing to be carried out in this country. It is important that that happens, and we have to strengthen the manufacturing base using R and D.

Dr. Pugh: I note the importance of the scrappage scheme, but the hon. Gentleman must see that that was only ever really a temporary expedient. None the less, it opens up a new avenue for British industry that the Government need to take very seriously—the remanufacturing industry. The more scrappage there is, the more metal there is that can be used for other purposes and reprocessing. Surely there is a case for making the UK a leader in remanufacturing as well as manufacturing.

Mr. Hoyle: Absolutely. We know that the car scrappage scheme will run out, because 10 years is 10 years—there is no way around that. Of course recycling is important and it is not right to send materials all the way to China only for them to come back as a finished product. We ought to develop manufacturing in the UK using that recycling. It would also clean up the environment by ensuring that CO_2 emissions were reduced, which is why it is so important.

Mr. Watson: My hon. Friend makes a very important point about the strength of the pound. However, there is a wider point that I realise might be difficult for both Front-Bench teams to deal with. Manufacturers worry about exchange rate volatility. Many of the big manufacturers—Toyota and others—argue that the solution would be to join the euro. Mr. Dyson, the darling of the Tory conference, is on record as saying that we should join the euro, because our country's position was a factor in his decision to move jobs abroad.

Mr. Hoyle: I am not a great fan of joining the euro—I had better spell that out at the beginning. What I would say to my hon. Friend is that I have not heard Toyota in the last 18 months shouting too loudly about joining the euro. In fact, it has gone very quiet about that. He is absolutely right that we see major companies using a dollar premium in order to project where they will be. Regardless of whether there is a euro, pound or dollar premium, that will always continue for major industry.

Of course, it is right that we still have leaders. I talk about leaders—aerospace with BAE and Shorts—and we must not lose sight of where we are a world leader. We are in danger of turning our backs because we feel embarrassed. We should never be embarrassed about our manufacturing. We have got to continue to invest, whether in military or commercial manufacturing. The fact is that technology transfer will come from military aircraft to develop jobs, quite rightly, in the commercial world. We have got to take advantage of that.

BAE is important. We ought not to allow Woodford, Samlesbury or Warton—any of those sites—to close. Aerospace matters, just like transport matters. It was a bad and silly mistake for the Government to buy Japanese trains—Hitachi express trains. Would it not have been better to develop trains in the UK? People say, "What is the advantage?" I will tell hon. Members what the advantage is: it would not be short-term gain for a little bit of financial expenditure, but the fact that we could build trains for the future. We could export trains, because they would be the trains required around Europe and throughout the world. The fact is that if we do not build them, we cannot export them. A bad mistake was made, and we must learn from such mistakes when it comes to procurement. We can have great times by getting things right.

I hope that the Minister has taken on board what all hon. Members have said, because it is important that we all stand together for the future of UK jobs. I believe that the time is now right to call for a national job summit. It is important that we have a national job summit with the trade unions, industry bosses and the Government getting together and asking what we need to be best placed as we come out of the recession. That is what we, as a Government, should be doing. I hope that we will have a national job summit that brings the best together for the future.

The Government have an excellent record on investing in apprentices, but that investment must not lead to something like the youth opportunities programme under the Conservatives. This must be a real apprenticeship

scheme with real jobs at the end of it, and that is why we must invest in manufacturing. That is why I say to the Minister that it is not too late to put in a short-time working subsidy. Such a working subsidy would make a real difference by keeping people employed in their working area—in their environ. We could retrain people and subsidise that retraining, rather leaving people to go on to a dole queue, because I see no benefit in subsidising somebody at a jobcentre who will be retrained only six months later, although they already have the skills. That is absolute nonsense. I hope that we can recognise what such a subsidy has done for France, Germany and, more particularly, for Wales, where it has made a real difference to their manufacturing. We can do this—we must do this—so I appeal to the Minister for a national job summit and short-time working subsidy so that we ensure that we have a strong manufacturing base for the future.

Of course, we still have great names in pharmaceuticals, and we have Rolls-Royce. I say to the likes of Rolls-Royce, "You claim to be a British company; prove your pedigree and your credentials." Of course it has sites around the world, but we see more and more transfer overseas. It is a retrograde step for Rolls-Royce to say on the one hand, "We are British," but on the other hand to be investing abroad.

John Thurso: Rolls-Royce is an extremely important employer in my constituency, as it does all the work at the Royal Navy training establishment, Vulcan, which is a reactor testing site. Vulcan is being decommissioned and Rolls-Royce has decided to maintain all the work force and base its civil nuclear industry there, on the sensible grounds that the human resource is most important thing that it has. The human resource lives there, so it is moving the office to the people, rather than the other way round. That is a very forward-looking decision, and I hope the hon. Gentleman will congratulate the company on that.

Mr. Hoyle: I do congratulate the company on that. It is a sensible business decision to stand by loyal employees who have helped make the company. I will, however, give the hon. Gentleman an example of where the company did fail the people. Rolls-Royce Energy, which produces engines to move gas around, had a plant in America and a plant in Liverpool. Guess which one it closed? The one in Liverpool. That is what I say about Rolls-Royce. Of course, R and D has been moved to Germany, as has the European end of the deep maintenance of engines. I think that all that should be done in the UK. The company might say that its approach gives a financial gain to shareholders, but there are times when shareholders ought to look a little bit further than the 12-month dividend and towards a long-term future in the UK.

Mr. Prisk: I understand the point the hon. Gentleman is making. However, I read that Rolls-Royce executives gave the following reason for the move to Germany:

> "The Germans value manufacturing. There is better productivity and they have a better education system. Government [here] has chosen not to be competitive. Britain has caused this industry to export its capabilities."

Is not the hon. Gentleman disappointed with his own Government?

Mr. Hoyle: I am sorry that the hon. Gentleman believes what he has just read. If we are truthful, the German question was about money. It was about how much of a carrot was being dangled in front of Rolls-Royce, and the carrot just happened to be bigger in Germany than it was in the UK, because otherwise the choice would have been the UK. I say to the company that short-term gain is long-term loss to the UK. Unfortunately, it went for the bigger carrot at that time.

That is the problem with global companies. They have no responsibility, or no morals about the people who made that company great. It was this Government and this party, along with others, that made sure that Rolls-Royce existed and it ought to remember that. When it went bankrupt, it was a British Government who bailed it out, yet now it goes for the bigger carrot. We can all pick different reasons. The company has also invested heavily in Singapore. In fact, Singapore and the UK are the only places that can build a complete new Trent engine. It cannot be built in Germany, but it can in Derby. Singapore and Derby are the only places where the company can build those big engines. What does that say about education, work skills and manufacturing? As I said, we can all cite different reasons but, unfortunately, the truth is that firms go with whoever dangles the biggest carrot, which is a retrograde step.

I hope that Rolls-Royce will remember that when it says it is British, it means it is British. Rolls-Royce is the second biggest jet engine company in the world and has a fantastic name. I am proud of British manufacturing. I hope that we ensure that this country continues to manufacture—but greater and bigger—and that it invests in the new ships that are required. We ought to be building a manufacturing future in this country.

3.29 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): It is a great pleasure to appear under your chairmanship, Ms Walley.

I congratulate my hon. Friend the Member for Southport (Dr. Pugh) on securing the debate. I shall come back to his remarks in a moment, but first I must say that it is always a great pleasure to follow the hon. Member for Chorley (Mr. Hoyle). I vividly recall his debate in this Chamber on 9 June, when many of the same points were made. He mentioned at the beginning of his interesting speech his constituent's willingness to collaborate and to welcome others on to his site. He might be interested to read a recent CBI publication about the shape of business in 2020—a think-tank work aimed at showing how business will change. One of the most interesting points in it is that business will become collaborative: rather than having, as now, a big blob that deals at arm's length with all the little blobs, there will be a cross over, and some financing will come from the bigger commissioning companies through the suppliers. What the hon. Gentleman said is early evidence of that.

I also congratulate the hon. Member for Ellesmere Port and Neston (Andrew Miller) on his remarks. I am most grateful to him for the compliment that he paid me in suggesting that I may one day have the power to make a decision about a ministerial car—a decision I look forward to eagerly. More important, his remarks on small and medium-sized enterprises were apposite and good.

Andrew Miller: The hon. Gentleman will always be welcome to join our party.

John Thurso: Ah, it is the festive season, when one knows there are invitations one must decline.

The hon. Member for West Bromwich, East (Mr. Watson) made some important points about the relationships in modern industry, including the fact that unions have radically changed in the past 20 years and approach most of their dealings in a highly constructive manner. He would probably agree with me that management has also changed—it is a jolly good thing that it has—and is far less confrontational, understanding the importance of people, and the need to work in partnership.

To return to the remarks of my hon. Friend the Member for Southport, I thank him for raising this important debate. Those of us who are keen on manufacturing and think that it is important to this country are right to keep turning up at debates—it is often the same people who turn up—to make that argument. My hon. Friend spoke about the need for Government to act on a more strategic level, and I agree completely. To a certain extent, to be fair to the First Secretary of State, it is true that he has a strategy, which has seven drivers—I am sure that the Minister will talk more about that—but it seems to me that we should consider the fundamental role of Government and how it touches on all business, including manufacturing.

The need for regulation is obvious: we must have sensible regulation and a level playing field. We must have fair taxation, and the direction of travel must be set out clearly. The aspect of Government's role that is not often picked up, although several hon. Members did mention it today, is what I call the common infrastructure—the infrastructure of roads, rail, sewers and utilities. That can in some instances be provided by the private sector, but it is really down to Government to ensure that provision. I hugely regret the fact that, as the hon. Member for Ellesmere Port and Neston said, we have not used the opportunity to increase rail freight; we have neglected that aspect of infrastructure. I hope that all future Governments will consider rail and what can be done to move goods by rail.

I think that my hon. Friend was just a touch pessimistic, because I think that manufacturing is at heart a good-news story—or should be. It is a very British characteristic to talk about doom and gloom and to say that it is all mucky people in overalls and nothing gets done. Nothing could be further from the truth. We are the leaders in many areas of manufacturing industry and technology. In my part of the world we have world-leading companies in the civil nuclear field and marine and tidal energy. We have fantastic facilities for subsea—Aberdeen is the subsea capital of the world and just outside Wick, Subsea 7 has an important base. Believe it or not, we also have the leading European manufacturer of nail varnish in Invergordon, which, interestingly, has seen a great improvement in its trading conditions this year. All the supplies that were coming from China and took six weeks to deliver by sea have lost out, because that company can deliver in three days from Invergordon. In managing stock and cash flow, it is more important to be able to order in three days and know that there will be a delivery than have a six-week lead time. That is important and makes one think about some of the received wisdoms, which are not necessarily true.

This country has the sixth largest manufacturing industry in the world, accounting for just over £150 billion in 2008. Depending on whose figures we believe, manufacturing employs between 2.7 million and 3 million people. It is absolutely right to say that there has been growth in real terms, but in relative terms, there has been a decline, particularly in the number of people employed, down from more than 4 million a decade ago. Part of that is because industry has become more productive: there have been huge productivity gains throughout much of manufacturing industry. Part of it, I am sure, as the hon. Member for West Bromwich, East said, is because outsourcing and the definitions therefore becoming narrower. However, part of it is because there has been a decline—a decline that I would like to see reversed.

I would also like to see the world-leading industries that we have maximised. At the Society of Motor Manufacturers and Traders dinner last week, I sat next to a gentleman who started a company making electric trucks. I am sure that many other hon. Members will remember his name, but it escapes me at the moment. The interesting thing he told me was that he had developed the prototype in the UK but, having done all the work, he was going manufacture in the US, because that was where he had found a market and where he had been given the grants to go. That is where the Government should be looking—the reasons why that is happening and why great British innovation is not being captured here to become great British enterprise.

There are three drivers for the future: finance, innovation and skills. In the couple of minutes left to me, I shall touch briefly on each. First, the banking crisis has shown us clearly that we should not, and cannot, depend on financial services to be the bedrock of our industry. We need proper, mixed and sustainable industry, of which manufacturing will be a critical part. Secondly, we have learnt that capital is a scarce resource, and if it is being consumed in never-ending circle of speculation in the City, it is not available for investment. What we need is investment in commerce and industry. The third lesson that we have learnt is that the days of large debt for everything are over. We need more equity at every level. There is a whole debate on that subject, so I will leave it at that and move on.

On innovation, we have superb R and D in this country, whether it is on the work bench or in the universities, or the guy working down the bottom of the garden in his shed. What we do not do nearly so successfully is convert that innovation into small and medium-sized businesses. That is partly about finance, but partly about ensuring that the right skills are there. We need to support R and D and innovation, and we need to do more about moving companies from that early stage to the next one.

Yesterday, here in the House of Commons, I attended an event for the Engineering and Technology Board being renamed Engineering UK. The people there told me things that I think I already knew to a certain extent. They claimed that manufacturing is responsible for 55 per cent. of British exports—my hon. Friend the Member for Southport said it is 46 per cent., but whichever it is, it is still a very big number. What struck me, however, was their estimate that by 2017, we will need 587,000 more engineers—roughly 80,000 a year—whereas, on the other side of the equation, we are losing

30 per cent. of our further education lecturers, who are retiring and are not being replaced, and we have a 17 per cent. drop in the number of students. There are tremendous opportunities—for example, the green economy is estimated to be worth something like £3 trillion in the world as a whole. The UK is well placed to have a slice of that, but I believe that, unless we take proactive decisions—on financial support, for example—to encourage people into engineering and technology, we will simply not have the well trained people who will be the bedrock and raw material of our future progress. That is the single biggest challenge that we face.

I am, and always like to be, optimistic. We have great people and skills in this country. We also have, as I have briefly outlined, some great challenges. We need a secure manufacturing base, and, in my view, we need it more than we need a financial services industry. The sooner we get that, the better.

3.40 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): May I share in the congratulations to the hon. Member for Southport (Dr. Pugh), who secured this debate? He gave a very thoughtful analysis—he always does, but this one was particularly thoughtful. Although his father may not necessarily support his vocation, I am sure that he would have been very proud of the hon. Gentleman's helpful analysis of the manufacturing sector's needs and challenges.

As we have heard, British manufacturing has faced a turbulent time in the past year: investment has been cut, production is down and productivity has weakened in a number of sectors. Moreover, more than 280,000 people in manufacturing have lost their jobs in the past year alone. The problem, however, did not start just 12 months ago. Since 1997, 10 per cent. of manufacturing businesses have closed and more than 1.5 million manufacturing jobs have been lost. There has been some frustration among leading industrial businesses about the current Government's policies.

I believe, as most participants in this debate have said, that manufacturing has a future in the UK. It represents more than 12 per cent. of our gross domestic product and produces more than half of our exports, so it helps us pay our way in the world. This country also remains, as we have heard, the sixth largest manufacturing nation. I totally endorse the arguments about partnership between employers and employees. That is a good sign that we should all encourage.

It is clear, however, that we must not now believe that we can return to the period before the recession and simply rely on financial services alone. I think that we have all learnt that lesson. For my party, that means putting manufacturing back at the heart of the economy. It is time we made more, and it is time we exported more. I also want us to be willing to be more challenging to make this country more competitive. For some time, Germany has been the leading European exporter of high-tech goods and services. It is time that that changed. That is why we took a decision at our conference—we had been mulling it over for a period—to set ourselves the goal, should we be elected to office, of setting a target for this country to overtake Germany and become Europe's leading exporter of high-tech products. Rather than being third or second under whichever party has been in office in the past, we should now aim to be first. To fulfil that goal, we need a clear, long-term strategy based on increased investment, technological innovation and raising our skills base. Those changes are going to be vital if we are to ensure that manufacturing can turn from recession to a sustained recovery.

Let me begin by talking about finance. Several hon. Members have mentioned the importance of access to finance. Despite the claims of the leading banks, I think that there remains a gap between their rhetoric and the reality for many firms, especially smaller businesses in industrial supply chains. As the hon. Member for Southport rightly pointed out, the current Government's response with a number of schemes has failed to overcome the problem for many of those firms. We have argued that the schemes are too complex, too many and too narrow. Time and again, businesses tell me that they are too small for one and too large for another. The £1 billion portion of the automotive assistance programme, for example, was announced on 27 January 2009 and, as we head towards Christmas, only one company has been offered any money to date. Indeed, there are now reports that that company, Jaguar Land Rover, may have actually decided to decline that money, because it can get better terms elsewhere. Perhaps the Minister will confirm whether that is true in his response.

Mr. Watson: I am grateful to the hon. Gentleman for giving way, but does he not think that a company's being able to secure finance external to the state is a good thing and that we should congratulate Jaguar Land Rover on being in a position to do that? It means that the Government's limited resources can be invested in other strategically important sectors.

Mr. Prisk: I am always delighted to see businesses secure finance, but why have the French and German Governments been able to deliver that money while our own Government have failed to deliver to even one company? That is my point. During a recession, it would have been far better to have a single national loan guarantee scheme—we and others have argued for that—worth £50 billion, which would provide the opportunity to underpin bank lending, for whatever size of viable firm in whatever sector. As we move towards recovery, other problems with the schemes emerge. We have learnt that the top-up credit insurance scheme has failed. The capital for enterprise fund has so far—11 months on—helped seven companies, and I gather from business that there is a concern that the future of the enterprise finance guarantee scheme is uncertain. We know that the scheme is due to finish in March, but what happens then? Perhaps the Minister can tell us what exactly is planned for the scheme after March. Industry needs to know.

As the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) rightly pointed out, long-term debt finance is not the only issue; equity is crucial. That is why I happily welcomed the principles that underscore the national innovation investment fund, with which the Government are now moving forward, and why we have worked with the stock exchange and others to establish a new environmental opportunities index so that we can make London the global centre for green technology, which in turn helps manufacturers as well.

That leads me to the broader question of how we encourage technological innovation. We can all see that manufacturing is changing, and a critical issue is how the globalisation of production—especially of components

[Mr. Prisk]

—changes the nature of what is and what is not British, and changes how we ensure that industrial policy is effective. For small manufacturers, the challenge of accessing global value chains in emerging high value markets is a problem, and I think that the Government can help in that area. Conservative Members agree with the emphasis on strengthening the supply chains in the automotive sector, which has recently been proposed by the new automotive innovation and growth team. That is a good idea, and we want to collaborate to ensure that it happens.

Skills have been mentioned already, and they are important because they concern the longer term. The Government have taken many initiatives, but, despite the flurry of activity, we have seen the decline of real apprenticeships based in the workplace. That is why the Conservatives, if elected, intend to provide £775 million to expand workplace apprenticeships significantly. They would apply to all ages and assist companies in helping their staff adapt and change for the future. In practice, we would be able to create an extra 100,000 apprenticeships in any one year. As part of that, and crucial to the supply chain we mentioned earlier, we want to ensure that we can help small companies, and will therefore provide a £2,000 bonus for every workplace apprenticeship that a small business creates. To help clusters of such firms, which often say to me, "How do we then manage those apprenticeships?", we will provide an additional £5 million so that they can create their own group training associations. All those steps are practical and will make a real difference.

Andrew Miller: A number of apprenticeships were established as part of the contract for building my further education college, but unfortunately local Conservatives argued against that because they regarded it as an interference in the market. The hon. Gentleman must stop local Conservatives doing that.

Mr. Prisk: I am not going to get into a debate with the hon. Gentleman about what does or does not happen locally. I do not have the background. I have set out clearly where we intend to go nationally, and that is the direction we will follow.

The past year has been traumatic for many manufacturers. We have seen thousands of jobs and hundreds of good firms lost, but British industry can pull through. I started my business at the bottom of the previous recession, and I have learned that firms that come through this period will emerge—the phrase was used earlier—leaner and stronger. The Conservatives want to help. We want to improve industry's ability to access the finance it needs, to create the best environment for turning bright ideas into profitable ventures, and to provide industry with the skilled work force it requires to adapt and grow. Those are the Conservative plans for the future; let us now hear from the Government how they intend to unpick the mess that they have created.

3.49 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): As usual, we have had a partisan contribution from the hon. Member for Hertford and Stortford (Mr. Prisk). However, I will reply to the hon. Member for Southport (Dr. Pugh), who secured this debate, rather than dance to the tune of the hon. Member for Hertford and Stortford.

Mr. Watson: We have heard a characteristically partisan contribution from the hon. Member for Hertford and Stortford (Mr. Prisk) in what has been a great debate. One thing that he did not commit himself to—in the unlikely event of becoming a Minister—was being driven in a British-assembled car. There are British-assembled Minis in the fleet. Would he like to commit to that now?

Kevin Brennan: I am happy to give way.

Mr. Prisk: I am glad that the hon. Member for West Bromwich, East (Mr. Watson) is keen for me to take office when in government, and I certainly look forward to the day when I do. I am visiting Aston Martin, Mini and Jaguar Land Rover in the next couple of days—*[Interruption.]* The hon. Gentleman is tempting me. All I will say—if I can keep in order—is that the broader and serious point about Government procurement is right. If I am elected—I welcome the hon. Gentleman's support for such an event—and if I have a Front-Bench role on such issues, I will talk to the Government car service to see whether we can change the approach in future.

Kevin Brennan: We now know that the hon. Gentleman has an image of himself in an Aston Martin. Perhaps he is thinking of a position in the security services, rather than a position as Minister. I had better move on before you stop me, Ms Walley.

I congratulate the hon. Member for Southport on securing the debate and on his thoughtful—might I say Socratic?—contribution. He laid out his arguments in a dialogue, rather than in the standard partisan fashion that we have heard in other parts of the debate. It was a very thoughtful contribution.

The hon. Gentleman admitted, very honestly, that he had had to do research to acquaint himself more deeply with the particular subject. The only thing that I would say to him is that he might have missed some of the more recent developments in Government to do with the industrial activism that he called for in his contribution. We have to find a happy medium between the free marketeers on the one hand—we are not all marketeers now—given the damage that going too far in that direction has done to our manufacturing economy, and, on the other hand, the kind of command economy that we do not want, which would simply produce all left shoes from the same factory. If he looks at the "New Industry, New Jobs" White Paper and the skills strategy, which the Government recently issued, he will see that the philosophical approach to manufacturing industry that he advocated is quite central to Government thinking.

My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) made an extremely informed contribution to the debate, as ever. He displayed his deep understanding of industry, particularly the motor industry, and also called on the Government to maintain pressure on the banking sector. The Government are still doing a lot to ensure that that sector comes up to the mark. He said that it is not all doom and gloom, and I think that he is right. Confidence is important at this point in the economic cycle. We should have confidence;

there are signs that we are moving in the right direction and there is certainly a bright future for British manufacturing.

When we last debated the subject, my hon. Friend the Member for Chorley (Mr. Hoyle) slapped a preservation notice on me because I was in a British car. Thanks to his efforts, I am still here. I thank him for that. He was right to point out the renaissance in Government of the idea of industrial activism and of a positive manufacturing strategy. He made some powerful points about Rolls-Royce, the obligations of companies and the need to take the longer view. We are learning that lesson in Government. The rush to divest ourselves of assets in the '80s and '90s may have left the Government without the levers that they need to be able to pursue the industrial activism that we have been discussing. We rue that selling of the family silver, as a former Conservative Prime Minister once put it. I note my hon. Friend's call for a national jobs summit, and his call for a jobs subsidy; he made such a call last time, too. I cannot currently guarantee that, but I heard his observations.

The hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) made an extremely perceptive and thoughtful contribution. He has a great deal of business experience. He made perceptive observations about world-leading British manufacturing, the importance of the green economy and the importance of the sort of proactive decisions that have to be taken—the sort that we have taken through our skills strategy. If he looks at the skills strategy, he will find that he is able to support the development of the new technician class, which the Government seek to develop through that strategy.

I should like to refer to the other hon. Members who contributed to the debate, including my hon. Friend the Member for Falkirk (Mr. Joyce). My hon. Friend the Member for West Bromwich, East (Mr. Watson), informed us of some of the reasons why, statistically, we should not be so pessimistic about jobs in manufacturing. Some of the jobs that have been outsourced might previously have been counted as manufacturing jobs, but although they were important, they were, in fact, ancillary to the direct activity of manufacturing.

I should give the hon. Member for Hertford and Stortford credit for recognising the importance of apprenticeships, which his party left to wither on the vine, so that they were almost at the point of extinction by 1997. Rather than apprenticeships declining, as he suggested, they have been rescued by the Government. Only 75,000 apprenticeships were in place in 1997, and two thirds of them were not even completed. The completion rate for apprenticeships was a third. There are now three times that many apprenticeships, and there is a two-thirds completion rate. On top of that, we have also invested very heavily in skills training in the workplace through policies such as unionlearn, which the hon. Gentleman's party vigorously opposed, and Train to Gain. I think that he wants to abolish Train to Gain to fund his party's policies, so he is not talking about any new investment in skills.

Mr. Prisk: On the automotive assistance programme and the £1 billion, how come only one company, at most, has received any money?

Kevin Brennan: The automotive assistance programme has been in contact with more than two thirds of the eligible companies, and there is still a potential pipeline of projects worth £2 billion. The hon. Gentleman should not rush to judge us on that matter. He also asked about the enterprise finance guarantee scheme. There is a £1.3 billion facility in place. As of 20 November, more than 1,100 businesses from the manufacturing sector have been offered loans totalling nearly £144 million. Much as he tempts me, I will not oblige him by making up any policy on the hoof.

In recent times, manufacturing has been hit by the global recession. We all know from our constituencies—many constituency examples were given during the debate—of the impact that that has had. The Government are acutely aware of the difficulties that the sector has faced and have taken a very activist approach in this recession, as hon. Members have said. That is why the level of unemployment in the UK is much lower in this recession, which has been lengthy, than it was in the recessions in the 1990s and 1980s. That is not a coincidence. The Government's attitude is in marked contrast to the Conservative Government's philosophy in previous recessions. There is also a marked contrast with our competitors; they are now beginning to come out of recession, as we will, but unemployment is much lower in our economy than in competitor countries.

Our job in Government is not just to look at the short term, but to think of the long term, and that is what we have been doing. There are huge opportunities for the manufacturing sector in this second industrial revolution. There are opportunities in the new technologies, including carbon technologies, nuclear, wind and wave technologies, and carbon capture and storage, all of which will have a profound impact on how we generate our energy in the future.

As I mentioned earlier, our industrial policy, which covers those new industry jobs, is exactly the kind of activist policy that the hon. Member for Southport called for. Our key industries need a national capability, and support from Government, so that they can take advantage of those opportunities. We need to look ahead at the opportunities that will be presented by the new economy.

HM Prison Bullingdon

4 pm

Tony Baldry (Banbury) (Con): I am grateful for the opportunity to raise this issue, which is really about what we think prisons are for. In an answer to a recent parliamentary question, the Minister of State, Ministry of Justice, the hon. Member for Liverpool, Garston (Maria Eagle), said:

"The National Offender Management Service is undertaking a budget review process... to determine the budget for prisons in 2010-11."

She added that

"prisons are using indicative guidelines of a 5 per cent. budget reduction but their final budgets will not be determined until the review process is complete, later this year."—[*Official Report*, 30 November 2009; Vol. 501, c. 448W.]

Let me make it clear to the House that I readily acknowledge that, given both main parties have said that they will ring-fence spending on health and international development, consequential spending reductions in other Departments are inevitable whoever wins the general election next year. We all have to be sufficiently grown up to acknowledge that. We certainly need to acknowledge it in the presence of my colleague, the right hon. Member for Oxford, East (Mr. Smith), who is a former Chief Secretary to the Treasury.

The thrust of what I want to get across to the House this afternoon is that cutting prison budgets per se is the wrong approach. We send people to prison because society believes it an appropriate punishment and to deter others from committing similar offences. However, the punishment is the deprivation of liberty for a period of time. We should be using prison and the time that people spend there to ensure that when they leave they have the skills, competences and qualifications to ensure that they do not reoffend.

There are two truly depressing things in this. First, when I visit HM prison Bullingdon, which is a local prison for Oxfordshire and the Thames valley, I meet a large number of men—a huge proportion—who are involved in some form of substance abuse, which means alcohol, drugs or both, as well as a huge number who are functionally illiterate. That is fundamentally depressing. The second depressing thing is the number of people in prison who have reoffended. Reducing reoffending rates would not only be beneficial for society, because there would be fewer victims of crime, but cost-effective, as there would be fewer people in prison.

The official parliamentary answer is that the 5 per cent. cut is just for this coming year and one does not know what will happen in future, but it presents governors with the prospect of 5 per cent. year-on-year reductions in prison budgets. I understand that most governors are working on the basis that they will have rolling cuts of 5 per cent. a year for the next three years. Where in a prison does one make those cuts? There seem to be only two areas: one cuts either opportunities for training, education or access to substance and drug abuse programmes, or the number of prison officers.

A 5 per cent. reduction in Bullingdon's budget is about £1.3 million on a budget of £17 million. Some £1.3 million is the equivalent of having to make 120 prison officers at Bullingdon redundant. As prison officers have explained, all they will be able to do is keep prisoners locked up longer—for more hours—because officers will not be available to escort prisoners or supervise them in education and training. They will be warehousing men and doing little else.

Bullingdon has been built since I have been the Member of Parliament for north Oxfordshire. Before that, the local prison was Oxford jail in the heart of Oxford. That status came to Bullingdon in the early 1990s. I hope the Prison Officers Association will excuse my saying so, but at that time it was a pretty neanderthal trade union. On one occasion way back in the 1990s—some 15 or so years ago—it refused to allow me to attend a meeting because I might influence what its members thought, and that was that.

Over the past 15 years, from my perspective the POA has moved phenomenally from being truculent and difficult to wanting to engage in training programmes and education programmes and wanting to help with substance abuse programmes. The POA branch at Bullingdon has built a training facility outside the prison walls for prison officers, which it is sharing with the rest of the community because the officers want to encourage the community to engage more with them and their work at Bullingdon.

The prison officers now find fundamentally depressing the thought that they will simply be engaged in keeping people under lock and key for longer periods. That would be a great pity, given that we have started to get a culture moving in the prison with people involved in the Prison Service. We are seeing that officers have a role in ensuring that people who leave prison are better equipped to deal with the outside world and have more skills than when they came in, but things might just go back to the rather Victorian notion of prison.

I hear it said on the grapevine that the Secretary of State for Justice believes that layers of middle management in the Prison Service can be stripped out and that the 5 per cent. can be achieved there. If he genuinely believes that prisons are over-managed or that there are too many layers of management, I suggest that he make that clear. I am sure that, if he believes prisons are over-managed in some way, he can strip out the over-management. However, even if we took out all the managers, apart from the governor, I doubt whether we could meet the 5 per cent. target at Bullingdon.

A lot of work is being done in Oxfordshire with charities such as SMART and in trying to get people who leave prison to integrate into the community more speedily and ensure that they do not go back on drugs, all of which requires work being done inside and outside the prison.

Mr. Andrew Smith (Oxford, East) (Lab): I have come here cross-party and cross-county to support the hon. Gentleman's argument. He has made a powerful case for the importance of rehabilitative work, to which I add the importance of restorative justice. Some work on that is being done locally. Within the broad cost-benefit analysis, does he agree that, humanitarian considerations apart, if prisoners are locked up for longer, receive less education and have less attention paid to literacy and training, they will be more likely to reoffend and be back inside, incurring further costs in future? So, the proposal might be a false economy in any case.

Tony Baldry: I agree. That is a powerful comment, coming from a former Chief Secretary. If we simply bang people up for a time and do not help them to

obtain the skills, competences and qualifications that make them more employable and less likely to offend when they leave prison—if they leave prison simply having served their time—the corollary will be that they are more dysfunctional, less able to integrate into the community, particularly at times of higher unemployment, and more likely to reoffend. We will keep going round in that circle.

Statistically, this country, I think, locks up more people than any other in Europe, other than Turkey. I appreciate that the Minister and her colleagues in the Ministry of Justice face a challenge, in that the UK prison population is growing inexorably. However, we are considering the issue in completely the wrong way. Instead of cutting the budgets of individual prisons and the opportunities for training, recreation and other things—cutting either those or the number of prison officers, which makes it more difficult to provide them—we should be seriously thinking about those whom we send to prison and the period for which we send them.

We have a criminal justice system that is entirely tariff based, but I do not think that anyone could convince any of us that sending someone to prison for six years would necessarily be more effective than sending someone to prison for four years. We have quite a lot of cases at the Crown court and there are some particularly lengthy tariffs. I have prosecuted and defended men and women who have been before the Crown court for serious offices, and my experience is that the period of punishment that has the greatest impact on them is usually the first year or 18 months in prison.

At one end, it seems that, other than for the most heinous offences, lengthy prison sentences do not necessarily benefit society or act as a greater deterrent; at the other, we must collectively convince society that programmes of restorative justice—non-custodial sentences—can work and have an impact. Often, such sentences are much more cost-effective for the community as a whole and can be just as effective as punishment and a deterrent. If we simply continue to send ever more people to prison and back to prison because they are reoffending, all that will happen is that the prison population will continue to increase, those in prison will continue to become increasingly dysfunctional and the likelihood of them offending on release from prison will grow inexorably.

We all need to draw breath and have a different argument with the Treasury. The Ministry of Justice also needs to have discussions with those who are responsible for sentencing. It needs to see whether it is possible to make the savings that it feels it needs to make—not by making prisons more Victorian, but by trying to ensure that fewer people are sent to prison and that those who are sent have the opportunities while in prison to acquire competences that will better enable them to lead decent, honest and non-offending lives when they leave.

I hope the Treasury would have as one of the targets for the Ministry of Justice an attempt to reduce reoffending rates. That is an important target for us all, because otherwise we see more and more victims and more and more crime—it is a continuing circle. Therefore, although I acknowledge that the Ministry of Justice, like other Departments, may be obliged to make reductions in its overall spending because of the financial black hole, I sincerely believe that reducing the budgets of prisons such as Bullingdon day to day is misguided, mistaken and a retrograde step. It will take penal policy backwards, not forwards.

4.15 pm

The Parliamentary Under-Secretary of State for Justice (Claire Ward): I am grateful to the hon. Member for Banbury (Tony Baldry) for securing the debate and for his sustained interest in Bullingdon prison. I suspect that it would be of some interest if he were to send a copy of his speech to his party's Front-Bench team. He takes a rather more refreshing look at policy on this issue, and what he says clearly does not chime very well with his party's views.

It is always good to explore and clarify issues relating to the National Offender Management Service in general and to prisons in particular. Parliamentary scrutiny is especially important because of the closed nature of the prison system. The opportunity to achieve much greater accountability to the public for the work that goes on in prisons on behalf of the public and the taxpayer is also important. The Government are acutely aware that imprisonment involves two stories: that of the offender in custody, with his or her experiences and opportunities for reform, and that of the victim or potential victim of crime, whose safety must be paramount.

In recent years, Bullingdon has become renowned as a prison that provides decent conditions and care for prisoners. It offers an exceptional range of programmes to help reduce the risk of reoffending and therefore also the risk of harm being done to victims and communities after people are released. I am sure that prison officers and other staff at Bullingdon will be pleased to hear the hon. Gentleman's kind comments about their work. That progress has not, however, happened in a vacuum. Bullingdon has received close managerial attention from NOMS and has benefited from sizeable investment in activities, programmes and treatment services.

One of the most rewarding aspects of my role as a Minister has been to see the passion and determination of prison and probation professionals at every level in protecting the public and helping offenders to lead decent and law-abiding lives after release. When prison officers go home after work, they return to the communities in which they live, and they certainly want to be able to protect their families, friends and neighbours from the risk of becoming victims of crime. In every prison that I have visited, I have been struck by the desire of staff to see offenders change their lives, to leave prison with hope and opportunity, to go on to a much better life in the community and to do things that ensure that they do not return to prison life.

I acknowledge that the hon. Gentleman shares those views on behalf of his constituents. I am also aware of his enthusiasm for rehabilitation and the work that Bullingdon does; as a Minister, I share that enthusiasm. If we do not take that view, the alternative for individuals is a life of continuing offending that will continue to damage communities. That will affect victims and offenders' families and ensure that the fear of crime continues, ruining the quality of so many of our constituents' lives.

As successive Governments have found, there is no quick fix to cut crime or reoffending; individual prisons or probation teams working in isolation have not managed to have the beneficial impact that they would all have

[Claire Ward]

hoped for. For that reason, the Government created NOMS, which brings together the probation service and the Prison Service for England and Wales. The primary purpose of NOMS is to reduce reoffending, making the public safer and earning greater confidence in the criminal justice system.

Most crime takes place in local communities, and the forces that shape offending are best understood at a local level. Patterns of deprivation, the poor educational attainment that the hon. Gentleman mentioned, housing shortages, substance misuse, which he also mentioned, and unemployment will vary from place to place and will contribute to a greater or lesser extent to social exclusion and criminality. For that reason, local and regional solutions are likely to be much more effective in targeting support, challenge and intervention where they are most needed.

NOMS is formed of 10 regions for England and Wales, each with a single director of offender management who is responsible for both prisons and probation and whose primary task is to reduce reoffending in his or her region. By developing regional structures and understanding the realities of real people in real communities, directors of offender management can, for the first time, target resources where they are needed most. At a practical level, that could mean understanding, for example, that for an individual prison, unemployment is likely to be a more critical factor than availability of settled accommodation and investing proportionately more in work skills and job seeking than in housing services.

When money is tight, it is more important than ever to spend wisely. Region by region, NOMS is undertaking needs analyses of local communities, identifying which localities generate the most crime and analysing the underlying causes. By commissioning the right interventions for offenders in the right places and co-commissioning the right support in the community for ex-offenders, directors of offender management are in a position to make a difference to rates of offending.

NOMS, like other public sector bodies, will be required to make savings over the coming years, reflecting the reality of the circumstances in which we have all operated since the global economic crisis, as the hon. Gentleman mentioned. Bullingdon prison, as part of NOMS, will have to play its role in finding savings, but that does not necessarily mean cutting services. On the contrary, it is more about identifying how it can operate more efficiently.

Major organisational change is not achieved overnight. NOMS has been supporting projects to release resources across the prison estate, and the results will be used to reduce the need for local regime reductions. For example, all prison establishments in England and Wales have been working to identify flatter management structures to reduce management overheads and optimise resources for front-line staff. NOMS central and regional headquarters have been reduced significantly in size and head count to ensure that the maximum possible proportion of resource is devoted to prison establishments and probation teams in the community.

In his report, "Securing the Future", published in December 2007 and accepted by the Government, my noble Friend Lord Carter of Coles recommended that an operational specification that adequately reflects the characteristics of individual prisons should be produced for each category of prison. He also recommended that such specifications should be costed and operated through a framework of service-level agreements.

In response, NOMS has undertaken a programme of specifications, benchmarking and costing that will ensure that the recommendations are met for all prisons in England and Wales by 2011-12. To achieve that goal, NOMS is undertaking a major programme of benchmarking and costing its processes in public sector prisons to identify the most efficient practices and establish those "best in class" examples for wider adoption. Significant savings have already been released, and it is anticipated that over the next three years, every aspect of imprisonment and offender management will be subjected to the same rigorous approach, to eliminate wasteful and unnecessary processes without affecting the quality of experience or rehabilitative opportunities for offenders.

Good financial planning is every bit as important at times of resource reduction as it is when additional money is available. NOMS regions in particular are closely involved not only in monitoring current spending but in planning how resources should be allocated for future years. In the NOMS south-east region, in which Bullingdon is a key prison establishment, governors have been asked to make savings plans to meet a range of possible planning assumptions.

Because prison governors are best placed to form judgments about where resources can be saved as well as what the impacts are likely to be, the governor of Bullingdon prison, along with his colleagues elsewhere, was asked to identify a financial planning exercise showing how he would make savings at 5 per cent. of his 2009-10 budget. The plans were to include an assessment of difficulty, impact and risk for each item proposed. They were collated and considered by the regional custodial manager, herself an experienced former prison governor, and the regional manager for finance and performance.

The actual savings planned for Bullingdon are significantly less severe than the full range of savings proposals; they are nearer to the average reduction of 3.5 per cent. across the region and contain no requirement to make savings that have been assessed as having significant impact, negative impact or high risk.

In contrast to some of the very high figures that have been cited—indeed, the hon. Gentleman cited some of them in this debate—we anticipate that the likely reduction in staff posts at Bullingdon as a result of the required savings in 2010-11 will involve just 16 uniformed staff and a further two managers. Equally importantly, the prison is not being asked to make savings that run counter to the commissioning priorities of NOMS for the south-east region.

Specifically, the hon. Gentleman will be very glad to know that at Bullingdon prison there will be no reduction in education provision, drug treatment services, sex offender treatment programmes, accredited offending behaviour programmes, health services for prisoners, offender management provision or public protection provision. That underlines the importance that we place upon those services, even in difficult financial times.

Our spending reductions are inevitable in Bullingdon prison and across the NOMS. In making their choices, it is apparent that the governor and director of offender

management at the prison are actively seeking to ensure that they do not adversely affect the quality of life or the quality of rehabilitation services for prisoners. That approach is mirrored across the south-east region, of which Bullingdon is a part, and across the wider NOMS estate.

The hon. Gentleman went on to talk a little more widely about the purpose of prison and sentencing policy. A number of interested groups argue that the prison population is too high. I am not sure that that view is shared by the main political parties; it is certainly not shared by the hon. Gentleman's Conservative colleagues, who suggest that we should have even greater capacity in the prison estate than that being provided at the moment by the Government.

We imprison a relatively high proportion of offenders. Clearly, Governments can choose to operate cheap criminal justice by declining to imprison even those people who pose a real danger to the public. However, it is the right of each democratic country to determine for itself what is and what is not acceptable behaviour on the part of its citizens, and the penalties that will be exacted for crime.

The Government have a very clear sentencing framework. We promote community-based penalties for low-risk offenders, and we have done that through the extension of out-of-court disposals. Those disposals are not only for those over the age of 18. Indeed, we have launched a new range of out-of-court disposals—some were even launched this week—with the youth rehabilitation orders and the opportunities for greater use by the courts, in some circumstances, of methods to move young people away from imprisonment. There are also other forms of disposals, whereby people are not hitting the courts at all.

We have imposed tougher custodial sentences for higher-risk and dangerous criminals. Furthermore, the Government have consistently taken the view that, for some offenders, community punishment can deliver better outcomes than short custodial sentences. To support that, we have made available to the courts a wide range of tough non-custodial sentences and we encourage the use of those sentences whenever possible. Community-based penalties are a core part of the criminal justice service. In 2007, 196,400 such penalties were imposed, which was 40 per cent. more than in 1997. That shows the importance of having a tough sentencing policy that is also fair and deals with the range of criminality.

In conclusion, I remain grateful to the hon. Gentleman for his interest in Bullingdon prison, both as a single establishment and as part of the wider prison estate. Like other parts of the public sector, Bullingdon will face financial challenges and must find ways to work at lowering its costs without putting public safety at risk. I believe that the prison, working together with NOMS, will be able to do that.

Asbestos-related Illness (Plymouth)

4.30 pm

Alison Seabeck (Plymouth, Devonport) (Lab): I welcome the opportunity to speak on this subject; sadly, it is of great importance to many of my constituents. In recent years, asbestos-related illness has been the subject of debates in the House, legal challenges, and ongoing demands from victims for understanding of their plight and for financial support to help them face the challenge of having been diagnosed with the illness. Let us not forget that Plymouth is a hot spot for asbestos-related disease—the third in the country.

During the summer, I was invited to attend a detailed briefing run by Bond Pearce solicitors, a firm based in Plymouth, to discuss with health professionals and victims what more needs to be done. I was joined at that briefing by the hon. Member for South-West Devon (Mr. Streeter), who I am pleased to see here today. Unfortunately, my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) was not able to attend, although over many years she has been a fighter on behalf of the victims who live in her constituency.

Asbestos-related disease takes many forms. They include pleural plaques, which is scarring of the lung tissue; it is a real physical injury, visible and identifiable by X-ray. It is caused by exposure to asbestos over a long period, and it is avoidable. In most cases, it was caused by the negligence of the employer. Many people, including those in my constituency, suffer the condition through no fault of their own. The only people to gain from it are those in the insurance industry.

Given that the disease was for the previous 20 years clearly acknowledged as a compensatory condition caused by employers' negligence, the Law Lords ruling of 2007 remains an unexplainable and unjustifiable mystery to my constituents. Most employers and their insurers were aware of the dangers of exposure to asbestos. Such knowledge has been around since the end of the 19th century, but employers still chose to do nothing to protect their work forces. They seemed callously to rely on the fact that the latency period of such a disease could be anything from 10 to 20 or even 40 years.

The result is that many people are now diagnosed, and suffer constant fear and uncertainty about their future. I fully appreciate that the condition is said by some to be completely benign, and that it will lead to something more sinister in only 5 per cent. or 10 per cent. of diagnosed cases. However, there is a serious underlying issue. Pleural plaques is a clear indicator of long-term exposure to asbestos. Those diagnosed therefore have an increased risk of developing more serious asbestos-related diseases, resulting not only from pleural plaques but from the exposure to asbestos itself.

It is hard, therefore, to expect someone who has been diagnosed with pleural plaques not to be distressed and anxious about the fact. According to the excellent and well-supported GMB campaign, that anxiety has already led to one suicide. I was appalled to learn of the comments of Dr. Abernethy, of the Forum of Insurance Lawyers. She stated that pleural plaques were harmless and therefore a good thing. I assure the House—and Dr. Abernethy if she is watching or listening to this debate—that they are not. I invite Dr. Abernethy to speak to those of my constituents who have been diagnosed, and seek their reaction to her comments.

[Alison Seabeck]

Concern has also been raised that some insurance lawyers would take advantage of the situation should compensation be allowed—that they would lure and encourage people to make a claim based in part on their anxiety. Is that not inconsistent? On one hand, the insurers have acknowledged the danger of asbestos and the anxiety caused, taking it so seriously that they say the matter should be pursued by them. On the other hand, they argue that anxiety is not serious enough to warrant compensation. If one listens to or reads stories of individuals, as I and other MPs have done, one quickly realises what such anxiety means to them and their families. They cannot escape it, because most of those diagnosed may well have seen former colleagues dying from mesothelioma, lung cancer or asbestosis.

Anxiety also encroaches on other areas of people's lives. One of my constituents told me of a friend who was diagnosed with pleural plaques. When he applied for travel insurance, he provided information about his health and was charged a higher premium because of his condition. My constituent said it was a case of double standards, and I cannot think of a more appropriate term—other than financial opportunism. It is hypocritical of the insurance industry to suggest that there is nothing to worry about, and not to recognise pleural plaques as a disease, yet at the same time whacking up the insurance premium if they know that someone is a victim.

I will move on to mesothelioma. It is estimated that between 2006 and 2020, 30,000 people in the UK will die from mesothelioma, and that 90,000 will have died by 2050. The number of deaths is expected to peak in the next five to 10 years, although a whole new tranche of people are currently being diagnosed with the illness—people like my constituent, Debbie Brewer, a young woman who contracted the disease from her dockyard worker father. She is only 50 and a mother of three, and she believes that there is a significant number of young people who, like her, had contact with someone working with asbestos and will contract the disease, and who are currently not included in official estimates.

Debbie is a very brave woman who is fighting for a trial of a specialised treatment called chemoembolism, which appears to be holding back the disease significantly in her case. The treatment is not currently available in the UK, so she has to travel to Germany and pay for it privately. I would hate to describe Debbie as fortunate, but she was able to agree a settlement, and a payout from her father's employer, the Ministry of Defence, which is paying for the treatment. Although it does not fall within the Minister's remit, I hope that she will pass that concern on to her colleagues in the Department of Health.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I have been listening carefully to the powerful case my hon. Friend is making, particularly the human stories. I am not sure whether her constituent, Debbie Brewer, knows the daughter of Roger Lowe, who has set up a campaign in memory of her father. It goes from one generation to another, and it is as much about the angst caused for the families as it is about the victims themselves when they are diagnosed with pleural plaques.

Alison Seabeck: I am that pleased that my hon. Friend is in the Chamber today and thank her for her comments and for highlighting the campaign being run by her constituent.

Another issue raised at the Bond Pearce seminar was funding for Macmillan nurses and the need to ensure that it continues. They are undoubtedly providing some fantastic support for my constituents and, I am sure, for others across the country.

Although much has been achieved by the Government with the introduction of the Child Maintenance and Other Payments Act 2008, more needs to be done. We need to speed up the system for those who have been diagnosed to ensure that they or their solicitors do not have to spend valuable time trying to trace their employers and insurers. One of the solutions could be the establishment of an employers' liability insurance bureau. Many people, as the Minister will know, cannot trace their former employers because they have gone out of business. If the firm had no insurance in place at the time, or if the insurance cannot be traced, the victim cannot make a civil claim against anyone for compensation. If a bureau was set up, it could act as a fund of last resort, paying out claims in cases where no defendant or insurer can be found.

My hon. Friend the Member for Hendon (Mr. Dismore) introduced a private Member's Bill in the last Session that would have addressed that issue, but like many good pieces of private Members' legislation, it foundered, although only after completing its passage through the House of Commons. An identical Bill has been introduced by Baroness Quin in the other place, and I can only hope that it will receive Government support and, with a fair wind, reach the statute book before a general election is called. My hon. Friend's Bill proposed a fund that could be paid for by insurers, rather than the taxpayer, using a similar model to that used by the Motor Insurance Bureau, which pays victims of uninsured drivers. He had extensive discussions with the Ministry of Justice and there was a good measure of support for his proposals.

Linda Gilroy: I know that my hon. Friend has expressed a hope that the Bill will be taken to a successful conclusion in the House of Lords, but will she urge everybody to continue to put pressure on the Government to support it? We have been here before on several occasions—we are just so close.

Alison Seabeck: My hon. Friend, with her wealth of experience of this place, knows just how difficult it has been to make progress, but I am sure the Minister has been listening to her comments.

Bond Pearce in Plymouth deals with many people who currently can make no claim in this country, and they often have to rely on payments via a convoluted route from the United States trust, which will pay out. Not everyone can benefit through that route, and we really need a scheme that will apply in the UK. I would be grateful if the Minister could let us have her views of the proposal being brought forward in the Lords, because it cannot be right that the Government should pay lump sums to sufferers, funded by the public purse, because insurers do not want to pay compensation. Insurers have to be liable and pay up. That is why they receive their premiums in the first place. I therefore welcome

the commitment of the Justice Secretary and the Minister—which I hope will be repeated today—that consideration will be given to reviewing the current process of tracing insurance records.

I also support the Government's idea that the UK should be made a global leader in research on asbestos-related diseases. However, that must be speeded up. We have also been waiting rather too long for a decision from the Government about compensation. I urge the Minister to make the Government's intentions clear sooner rather than later, because for some of my constituents it could be too late.

4.40 pm

Mr. Gary Streeter (South-West Devon) (Con): I support the arguments put forward by the hon. Member for Plymouth, Devonport (Alison Seabeck). We both attended the conference in the summer, and we work closely together in Plymouth, in a cross-party way. I do not want to repeat her arguments, but I want to support them and her description of the difficulty in obtaining justice for sufferers of asbestos-related diseases.

Rather than repeating the arguments that she put more eloquently than I ever could, I want to add one further point, which draws partly on my background as a lawyer—the application to the issue of the Crown Proceedings (Armed Forces) Act 1987, on which I know the Minister is something of an expert. That Act, which prevents Crown personnel from suing the Crown in relation to matters prior to the date in question, effectively means that ex-service personnel can claim civil damages from the Ministry of Defence for asbestos-related illnesses, or any other injury, only if the exposure occurred after 1987. In cases involving asbestos, exposure will usually have occurred in the 1960s and 1970s, before the world woke up fully to the perils of asbestos. The people in question therefore cannot make a civil claim for compensation against the Ministry of Defence.

That situation is in contrast to what applies to civilians, who can make a civil claim against the Ministry of Defence irrespective of when the exposure occurred. The situation is very unjust for ex-forces members, of whom there are of course many in Plymouth. In the dockyard and the naval base, civilians and service people, men and women, have for many generations worked side by side. They have done almost the same jobs, some in uniform and some as civilians. Is it not grossly unfair that, of two people doing the same job during the 1970s, both of whom contracted a serious lung disease, one would have the right to compensation from the Ministry of Defence, but the other would not? I see officials looking quizzically at me. If the Minister can say that I am wrong in what I am saying, we shall be jubilant and excited, and many legal actions will follow.

We hear much about the postcode lottery, but the situation I am describing is a pay-as-you-earn lottery, and the Government must surely be concerned about it.

Linda Gilroy: I am very pleased that the hon. Gentleman has raised that aspect of the issue, and am grateful to him. He has referred to the cross-party basis on which this matter has for many years been pursued. The point that seems to be made in this context is that the pensions of service personnel somehow rule out their making a claim. It does not add up or make sense.

Mr. Streeter: I agree on that point. I have considered what reasons there may be for people being treated differently, and I cannot think that any such reasons would prevail for people who have acquired their injuries during a period of work in a domestic situation at home as opposed to in the trenches overseas.

Lawyers in Plymouth deal with many victims of asbestos-related problems each year, but instead of obtaining justice from the Ministry of Defence they must resort to relying on payments from United States trusts set up by the companies that manufactured many of the asbestos products, which saw their liability and put money aside. People in the UK can draw down on that, but it is nothing like the amount of compensation to be obtained from suing the Ministry of Defence, as many civilians can. The idea of compensation is to put someone back in the place they would have been in had they not fallen ill or been injured. At the moment that does not happen to ex-servicemen who contract the crippling diseases in question. Many of them must rely on state benefits or a war or disability pension, instead of proper compensation that would help them to live the lives they would have lived had they not been contaminated, through no fault of their own.

I recognise that Governments of both colours have hidden behind the 1987 Act—and the hon. Member for Plymouth, Devonport is right to say that this issue has continued for a long time under Labour and Conservative Governments. There may be reasons of public policy for that, which the Minister may want to set out. However, I ask him to review the application of the Act in relation to claims of this kind, where there is a real injustice. I am sure it is not the Government's strategy to delay matters until time takes its toll and people go the way of all flesh. I am sure that is not the Government's thinking, but of course there is an element of urgency because many of the sufferers are of a certain age and we want them to receive compensation in due time. I hope the Minister can make a helpful response.

4.45 pm

The Parliamentary Under-Secretary of State for Justice (Claire Ward): I congratulate my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) on securing this important debate. The fact that this is the fifth debate that we have had on pleural plaques demonstrates the importance of the issue, not just to hon. Members across the political parties but, more importantly, to their constituents and those whose lives are impacted by this state of affairs. We recognise that pleural plaques are a major issue for many people, particularly those who have worked in traditional manufacturing industries where exposure to asbestos was an all too common danger.

As my hon. Friend mentioned, our consultation on pleural plaques closed at the beginning of October last year. I understand hon. Members' concerns about the time that it has taken to reach conclusions in the light of the consultation. The decision by the House of Lords raised extremely complex and difficult issues that have required careful consideration within Government. It has also been important to look beyond the issue of pleural plaques to consider how people who have been exposed to asbestos can be supported more widely. We have made it clear throughout that it is important to

[Claire Ward]

ensure that any decisions taken are reached on the basis of the best available medical evidence on the nature of pleural plaques. For that reason, we have commissioned and published reviews of the medical evidence carried out on behalf of the chief medical officer for England and Wales and by the Industrial Injuries Advisory Council to help to inform consideration of the issue. The reports indicate that consensus appears to exist on a range of key points relating to the medical nature of pleural plaques.

However, in response to representations from asbestos campaigners and a request by my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), the Secretary of State for Justice undertook to facilitate a final meeting between key medical experts in the field to consider the medical reports together with new evidence that has emerged since the reports were published. That was to make sure that any areas of disagreement over the evidence and conclusions in the reports could be identified and fully considered. The meeting took place on 15 October and was extremely helpful and informative. The Government are giving careful consideration to the outcome of the discussion and the views expressed before publishing their response on pleural plaques.

The Government have been consistent in their commitment to give those suffering from mesothelioma and other serious asbestos-related diseases the help and support that they deserve. With that in mind, the Secretary of State for Justice confirmed that the Government are actively considering measures to make the UK a global leader in research for the alleviation, prevention and cure of asbestos-related diseases, and also to help speed up compensation claims for those who develop serious asbestos-related diseases such as mesothelioma. That includes examination of the process for tracking and tracing employment and insurance records, as my hon. Friend the Member for Plymouth, Devonport mentioned, as well as looking into the support given to individuals who are unable to trace such records. We fully accept that the current arrangements for tracing employers' liability and insurance policies are not satisfactory. Too many individuals are not able to access the compensation that they deserve. The situation is not acceptable and we are determined to do more. We are looking seriously at options such as setting up a mandatory tracing database and whether we might establish an employers' liability insurance bureau as a fund of last resort, as recommended by several hon. Members. Further details of the Government's plans on these extremely important issues will be announced shortly.

Provisions in the Child Maintenance and Other Payments Act 2008 were brought into effect on 1 October last year by colleagues in the Department for Work and Pensions. They provide up-front financial support to mesothelioma sufferers who were previously not eligible for help from the Government, including those, such as the constituent of my hon. Friend, who were exposed to asbestos as the result of contact with a relative. Someone's exposure could have taken place, for example, by washing the work clothes of their father or husband. Where sufferers have not been able to make a claim during their lifetime, a payment under the scheme can be made to their dependants.

The provisions demonstrate the Government's commitment to help people who suffer from the effects of this terrible disease, which includes many people in my hon. Friend's constituency. The hon. Member for South-West Devon (Mr. Streeter) and my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) have raised this issue, not just on this occasion, but on many occasions, with Government Ministers. The latest available analysis by local and unitary area of mesothelioma deaths in Britain shows that there were 373 male mesothelioma deaths in Plymouth during the 25-year period from 1981 to 2005, which is more than three times the average death rate for the whole of Britain. Based on that analysis, Plymouth has the third highest rate in Britain. Most of the areas with the highest mortality rates in the analysis are associated with the shipbuilding industry, in which asbestos was widely used for insulation in the past. Female mesothelioma deaths in Plymouth over the period were in line with expected numbers based on the average rate for Great Britain.

We have continued to raise awareness of the risks of asbestos through the Health and Safety Executive's campaign, "Asbestos the Hidden Killer", which was relaunched on 2 November 2009. It aims to raise awareness among tradesmen, pointing out that they are more at risk than they think from asbestos and prompting them to find out more about asbestos and the precautions they should take. National press and radio adverts will run for four weeks, supported by public relations activity. Partner organisations, including the TUC, unions, trade associations, trade stores and charities have distributed about half a million campaign packs to trade and maintenance workers. It is extremely important that we raise awareness among a group who, proportionally, face a much higher risk than the greater population.

Alison Seabeck: A number of people who work where asbestos is likely to be in the vicinity may well be people who have come across from Europe and whose first language might not be English. What is the Minister doing to ensure that the trade unions and others are putting out information in other languages?

Claire Ward: My hon. Friend raises a very interesting point. From my own experience—my family are very engaged in the building and construction trades and my father established an institute for asbestos management—I am acutely aware of the impact that it can have on other construction trades. In this day and age, when we have much greater European engagement, she is right to raise that point. I will ensure that my colleagues—not in the Ministry of Justice, but in the business department of the Department for Work and Pensions, which is responsible for health and safety—write to her to make sure that she has copies of the information packs and any details about what else we are doing to promote awareness across the language barrier.

In addition to considering the needs of people who have difficulties with the language, we must look at the nature of the construction industry. Many people are sole traders and perhaps do not have access to trade union support or to much greater levels of activity through larger organisations. The Health and Safety Executive has sent a direct mail of 50,000 packs to the harder-to-reach micro-firms and sole traders.

My hon. Friend raised the issue of chemoembolism treatment for mesothelioma. I express my sympathy to her constituent, Debbie Brewer, who is suffering from this terrible condition. Chemoembolisation is available for the treatment of liver cancer, but the risks and benefits of using it to treat patients with mesothelioma are not yet known. We are not aware of any trials of chemoembolisation for patients with mesothelioma under way in the UK, which is no doubt why her constituent sought treatment abroad. It is for clinicians, using their expert judgment, to decide on the most effective treatment for patients, based on their individual circumstances. Primary care trusts are responsible for commissioning services to meet the health care needs of their local populations, so it is for them to decide whether to fund any proposed treatment, taking into account any available evidence of its effectiveness. I am sure that my hon. Friend will want to ensure that any information about the success of the treatment for her constituent is passed back to local commissioning services.

My hon. Friend also referred to the private Member's Bill sponsored by our hon. Friend the Member for Hendon (Mr. Dismore). The Bill passed through the Commons in the previous parliamentary Session, but did not manage to complete its stages in the Lords before the end of the Session. However, the Government note that the Bill has been reintroduced in the House of Lords by Baroness Quin of Gateshead in the County of Tyne and Wear. The Bill has to be considered in the wider context. It represents one possible approach to the issue of pleural plaques, but there may be a number of other appropriate approaches to the condition and to the wider issues arising from asbestos-related diseases. Unfortunately, it is not possible for me to give a firm indication today of the Government's position on the Bill, but we will continue to monitor its progress with interest.

I assure hon. Members that we remain firmly committed to helping people who have suffered as a result of exposure to asbestos, and that our considerations are taking place with that commitment in mind. The hon. Member for South-West Devon raised the issue of the Crown Proceedings Act 1947 and the distinction between those who have been in the services and civilians. I thank him for raising an interesting point. I cannot comment on it, but I will make sure that it is passed to my colleagues in the Ministry of Defence, and I would expect them to write to him with further relevant information.

I apologise again to hon. Members for the time that it is taking to deal with the difficult and complex issues. I am well aware, as indeed all my colleagues are, that the time taken in such circumstances is not simply an administrative process, but has an impact on the constituents of my hon. Friend the Member for Plymouth, Devonport and of other hon. Members. I hope that we will be in a position to publish the Government's response, setting out the way forward, as soon as possible.

Question put and agreed to.

4.58 pm

Sitting adjourned.

Westminster Hall

Thursday 3 December 2009

[JIM SHERIDAN *in the Chair*]

House of Commons Commission

[Relevant document: 31st Annual Report of the House of Commons Commission, HC 912, Session 2008-09.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(David Wright.)*

2.30 pm

Nick Harvey (North Devon) (LD): It is a pleasure, Mr. Sheridan, to introduce the 31st annual report of the Commission. It covers the period from April last year to March this year.

As always, the report gives some idea of the complexity of the running of the House and, contrary to the impression sometimes given, of the willingness of the House—Members and staff—to do things in new ways. We are always keen to hear Members' views; it is important that there is good communication between the Commission and Members of the House.

I should point out that the report does not cover Members' pay and allowances, which is essentially a matter for the Members Estimate Committee rather than the Commission, nor the period when allowances became continuous front page news. However, that has had an impact on staff and services, and I shall touch on that aspect in a moment.

Last year's report described greater changes in the internal organisation of the House service than in any year since 1978 or earlier, including the new structure of four Commons Departments and one joint Department with the House of Lords, namely PICT. The vision behind the reorganisation was

"to create a unified parliamentary service which provides first class advisory, executive and support facilities to the House, its Members and the public whilst maintaining a world heritage site."

In the year now under review, changes resulting from the Tebbit review have continued—for instance, filling posts in the reorganised Parliamentary Estates Directorate and unifying human resources and finance teams in the House service—but the emphasis has been on making the new structures work. The most visible example of what a unified service can do is the increasingly popular Members Centre in Portcullis House. Another good example was the handling of the recent sitting of the UK Youth Parliament in the Chamber.

The highlights of the year include the following. There was a pilot for the transport subsidy scheme for school visits, something suggested in Westminster Hall debates on previous Commission reports; all 300 slots for the first two terms were taken up on the first day. There have been improvements to the website, including better search facilities and the addition of the YouTube channel. We have also seen the opening of the visitor reception building, progress on improving the technical infrastructure of the parliamentary network, and the technical achievement of publishing a mass of information on Members' allowances within a very demanding time scale. There has also been progress on the 25-year estates strategy.

There are some significant challenges. One is handling the transition to IPSA, the new Independent Parliamentary Standards Authority, which is now coming into operation. We hope to see the smooth transfer of many of the House staff now working on allowances to new jobs in IPSA. The Commission recognises the uncertainty faced by those staff, and hopes that it can resolved as soon as possible. It will be important, and difficult, to maintain services to Members during the transition period, but it is also important to establish a good working relationship with IPSA staff.

We have continued the task of trying to make the House more environmentally friendly. In particular, a major environmental assessment has just taken place. That should lead early next year to demanding but we hope achievable reductions in carbon emissions, something in which the House's recent performance has been poor.

The task of maintaining and improving the main building is always a challenging one. The cast-iron roof project is the most visible major project at the moment, as Members will gather from the scaffolding and covers on parts of the building.

A much larger job, but one likely to take place over a longer period, is the replacement of the mechanical and electrical services of the Palace. Members will be aware that a study has been made of whether the two Houses would need to be decanted so that the work could be carried out continuously and efficiently, rather than in recess-sized chunks. The study concluded that the best option would be to decant for some years, but further analysis has established that tackling the main problems and risks aggressively over a number of years means that the larger project could be put off for a period, providing a breathing space for us to plan a more general refit of the Palace, to make it more suitable for a modern Parliament.

The final challenge to be flagged up is that of greater financial stringency. The Commission is likely to insist on substantial savings in the administration budget in the next few years, reflecting expectations on the rest of the public sector. Hard choices will therefore be increasingly necessary, especially if the House decides that it wants additional services.

During the past year, I have answered parliamentary questions on a range of the Commission's responsibilities. They have included questions on freedom of information requests, bottled water, child care, the visitor reception building, encryption software, the countries of origin of meat served here, the recharging of electric vehicles, the restoring of Cromwell's statue and moths in T block.

I conclude by thanking the staff of the House for all the work they do on behalf of Members. This year, I thank particularly those who have had to deal with FOI requests; they have been under continuously heavy pressure and have faced demanding deadlines.

I also thank the staff who handle Members' allowances. They have had to cope with numerous changes in the allowance system. We had a completely new Green Book and set of allowances on 1 April. That had barely bedded down when fundamental changes were made in May. Since then, increasing demands have been made of staff at exactly the point when the coming into being of

[Nick Harvey]

IPSA put the greatest question mark over the staff. We are indebted to them for keeping going through trying circumstances. If Members find at any point that things from the Fees Office are not quite as fast as they would like, I hope they will understand the immense pressure we have put on the staff.

I thank every member of the House staff. I pay particular thanks to the Commission secretary, Dorian Gerhold, who has coped with everything thrown at him over the past year with great calmness and efficiency. I also thank Louise Sargent, who handles parliamentary questions and manages to get answers posted to the right place at the right time. We are grateful to them all; they help the place to work better, and I hope that Members recognise the debt they owe them.

2.38 pm

Mr. David Heath (Somerton and Frome) (LD): This is not the best attended debate I have seen. It seems wrong that Members who every day, in their private conversations and correspondence, show a lively awareness of the work of the House of Commons Commission and of members of staff working in the House should not have sufficient curiosity to ask questions about the Commission's annual report. It is left to the representatives of the three parties to do so. That is regrettable, but perhaps understandable in the present circumstances.

The understatement of the year and possibly of the century is contained in the first words of the Speaker's foreword to the report:

"Recent months have been turbulent for the House."

They most certainly have. However, as my hon. Friend the Member for North Devon (Nick Harvey) said, the report covers matters that largely fall outside those areas of turbulence. Nevertheless, we owe it to all the staff and Officers of the House to put on record our appreciation of the work they have had to put in under very trying circumstances. I hope that message will be transmitted to those involved.

I would also like to thank members of the House of Commons Commission. I do not always say that; I have had my differences with the Commission and with how it sometimes operates, but it has had a particularly difficult row to hoe in recent months.

The other specific issues that I want to cover are few. Some things in the report are good and my hon. Friend has already referred to them. One, the Members Centre in Portcullis House, is a huge improvement on previous arrangements. It has been convenient for Members and, I think, works well. Although, as a slightly old-fashioned Member I feel saddened that people are now corralled behind a glass screen when they visit the Chamber and never really get a sense of what the Chamber is like, I nevertheless recognise that the arrangements for visitors, with the new Visitor Centre at the entrance to the House, have been greatly improved. We should put that on record.

I am not convinced that the website is entirely user-friendly yet, and we need constant feedback on that process. I am sure that I am not the only Member who still sometimes has difficulty finding things they feel they ought to be able to get to, and quickly, and has to use a circuitous route through cyberspace to get basic information about the business of the House, *Hansard* and so on. That may be a sign of my inadequacy in using systems, but if so, it is shared by an awful lot of Members and their staff. We therefore need a continuing dialogue to ensure that the website is improved.

One thing that my hon. Friend did not touch on is sharing video footage. He knows that there is some interest in that in the House, and that early-day motion 211 on the subject has been tabled by my hon. Friend the Member for East Dunbartonshire (Jo Swinson). There seems to be an almost inexplicable obstacle to sharing material of the kind that is valuable to people and commonly shared in other legislatures. I would have thought that we want to facilitate rather than obstruct such sharing, and I therefore ask my hon. Friend to take that matter back to the Commission.

As far as the fabric of the House is concerned, it will always be difficult to maintain such a building. It is a singular, unique and fantastical building, with huge maintenance requirements. I am interested in what my hon. Friend said about the decanting contingency plans. Have he, his colleagues and the House looked also at the need to find ways of maintaining the fabric of the House that are consistent with the House's meeting for a rather longer time during the summer months or the early autumn?

The last time we had experimental meetings in September, it was farcical. It was farcical that so much of the fabric of the House was in a state of refurbishment that it was almost impossible to walk down a corridor, go into an office or even get into the Chamber without falling over something that was under repair. I have dark suspicions about that. I suspect that there was an agenda to prevent us from ever having the effrontery to suggest meeting in September again. However, there is common ground among quite a few Members that the long summer vacation is something that we want to try to avoid—I mean the recess, which is not always a vacation, of course.

There is a case for the House's being able to hold the Government to account during the autumn and before the party conference season. If that is inconsistent with the House's maintenance arrangements, I am afraid that those arrangements will have to change, and I do not think that it is unreasonable to suggest that, even with the constraints of keeping up the fabric of the building. It is possible without effectively closing for business for four months a year. I do not know of any large corporation, or stately home even, in the country that does that to carry out its routine maintenance.

My next point is an important one and was touched on by my hon. Friend. It is that the environmental performance of the House is simply not good enough. I was very disappointed that the House was not prepared to accede to the motion that I and my right hon. and hon. Friends tabled a few weeks ago effectively to sign up the House to the 10:10 campaign to reduce our emissions. I was disappointed that apparently we could not even make that an aspiration. We are moving in the wrong direction.

The figures on environmental performance on page 49 of the report show that energy use per square metre is going up, and has gone up substantially since 2004-05. We had a blip in 2005-06 and I am sure that there was a reason for that; there is a reference to a footnote that simply says "figure revised". However, the revised figure

is higher than the figures for subsequent years but lower than the figure for this year, which is 362.5 kWh per square metre. We ought and need to do better than that. I wonder whether a large part of the current wastage is related to thermoregulation on the estate. Sometimes we are very cold and sometimes extraordinarily hot; very rarely do we seem to be exactly right. Perhaps a small amount of investment could yield dividends in reduced energy use.

My last point is on IT for Members, and indeed on the IT systems' operation in the House. This is no criticism of the people who work in the organisation, but sadly it is a constant frustration that continual abuse by Members results in machines being put out of action and things not functioning as they should. There is a repertory company among those who work frequently in the House of Commons Library that feels that the machines there are less than we would wish for in terms of performance, and often seem to let us down, normally at critical moments. We can be working against a deadline and desperately need the machine to print something and it refuses to do so, and I think that that is symptomatic of House procurement policies.

We seem to have a gift in the House for buying equipment that is not very good or up to date, and which becomes rapidly not so good or up to date. I know that that is often done to save money, and I do not regret the fact that people are being careful to save money in contracts, but most of us are working on equipment that does not have as good a specification or performance as that which we could buy in our local computer store, or even in our local Tesco.

As part of what is provided by the House, we are forced into having equipment that often does not work in our constituencies. I have just taken delivery of a new PDA and because of the phone company with which we have the contract, it works in only a couple of places in my constituency—not in my home as I get no phone signal there—and it frequently breaks down. If I went to a phone shop, I could buy a phone for a lower price with a higher performance. Regrettably, however, if I do that, I cannot have the parliamentary software that I need to maintain contact with the House. That is just a small moan, but one that is commonly shared by Members.

My very last point relates to the report of the Members Estimate Audit Committee, but neither of the right hon. Members who chair the Committee is here today. The report, I think, is less comprehensive than I have seen previously. There is less information in it about the audit activities of the Committee. The function of auditing is increasingly important in the context in which we now operate. I am afraid that one of the outcomes of the Legg review will be to throw into sharp relief some of the inadequacies of internal audit over recent years. It will suggest, I think, that a number of payments have come to light that could not be justified and that should have been picked up at audit. The House needs a comprehensive report of audit systems, and to be satisfied that when a specific topic for audit has been undertaken, it receives a full report, which will be available to Members. I put that as a suggestion to my hon. Friend and hope that it will be put in train.

I thank the staff of both the Commission and the House for everything that they do to keep this building and those who work in it in some semblance of order. It is a thankless and enormous task, and we are grateful.

2.52 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I echo the comments made about the number of people who have taken the trouble to turn up for today's debate. Given that it impacts on everyone who works or operates in and around the Palace of Westminster, it is regrettable that on the one occasion that they have an opportunity to make their views known, they fail to do so. That being said, I thank the hon. Member for North Devon (Nick Harvey) and the rest of the Commission, who, working with the Management Board, have carried out sterling work in producing this report.

As was mentioned earlier, this has not been an easy year, and to say that it has been challenging is to put it mildly. The media have dominated the headlines with comments about MPs' expenses and allowances and so on. That has directly impacted on the entire community that works in and around the Palace of Westminster. Some Departments have been more affected than others. For example, the people handing the freedom of information requests have had a hard time, as have people in the Department of Resources. It is noteworthy that we put that on record to recognise the enormous stresses and strains that have been experienced by the support staff in this place.

Sir Kevin Tebbit's reforms continue to have an impact on the management of the parliamentary estate, and it is good to see that the staff have managed the changes well. Given the economic climate, I was pleased to see on page 36 of the report that the House Service has broadly met its medium-term financial strategy for 2008-09 by ensuring that expenditure on core services was the same as in 2006-07.

I also welcome the fact that PICT and the House Service will be seeking Investors in People status, which clearly is recognition by this place of the need to adapt and to provide care and attention for its staff in the 21st century.

Clearly, one of the important functions that takes place here is support for Members. It is also noteworthy that the role of Members of Parliament in recent years has increased and become more demanding, particularly with the growth of the internet and the use of e-mails. Again, that impacts directly on all those who help us to do our jobs. Let me highlight three or four of those particular Departments. PICT has improved considerably. There is still a little bit to do by way of improvement, but it continues to strive to do better than in the previous year. In that, it has certainly improved compared to last year.

The Library staff continue to impress by meeting the ridiculous demands that we sometimes put on them, especially when they have to provide research and information at short notice. In my case, they have always delivered on time. That view, I think, will be shared by most of us—Members from all parts of the House. The service we get, at short notice, is excellent. I believe that some 99 per cent. of Members have used the Library services.

The Members Centre in Portcullis House has well and truly bedded in and is used extensively by Members and their staff. The staff of *Hansard* continue to impress. Their accuracy has improved, according to the annual report. I will leave it for others to decide whether that is because the staff have improved or because the former

[Mr. Shailesh Vara]

Deputy Prime Minister, the right hon. Member for Kingston upon Hull, East (Mr. Prescott) makes fewer contributions.

Members have tabled some 85,000 parliamentary questions in the past year, which is a phenomenal number to deal with. All the questions have to be processed and dealt with accurately and efficiently. I take this opportunity to say that that task has been well achieved. It is a pity, however, that the Ministers who reply to the questions do not do so with equal accuracy and timeliness of response, but perhaps that is beyond the remit of the debate.

Additional pressure on staff has also been felt by those who look after the various Select Committees. In particular, the addition of Regional Select Committees, which have been boycotted by the Liberal Democrats and my party, has provided extra background work. Staff have to go to the various venues and service the Committees, and there is a cost of some £1 million plus. None the less, all credit to the staff for dealing with that extra work.

Reference has already been made to the work that is so urgently required on the building and on the infrastructure across the parliamentary estate. I hear the words of the hon. Member for North Devon, but perhaps he will tell us, if possible, the precise sum of money that is envisaged today for the overall works, some sense of when a decision might be made about whether we will all move to another place for a given period, and if so how long that period might be, and whether work will continue to be done during the recess? It would be helpful if he provided further clarification on those points, but I appreciate the difficulty he has.

Asbestos is another issue. I would like to know whether any cases of asbestos affecting members of staff have arisen. We are aware of asbestos in large parts of the estate, but it would be interesting to know whether it is having a direct impact on staff.

Accommodation is an ongoing problem for Members and their staff. I am pleased to see in the report that that issue is being addressed and that efforts are being made to secure further accommodation.

One area of concern is the fact that there has not been the reduction in energy use that we would have liked to achieve; in fact, there has been a 6 per cent. increase. I accept that the size of the estate has also increased, but given that all of us in this place are in the business of asking people outside to try to conserve energy, we need to lead by example. Although I accept the reasons for the increase, perhaps we need to consider the matter again so that we can truly speak and set an example.

Mr. Heath: I am pleased that the hon. Gentleman is picking up on the same point that I did. However, I do not think that the issue is about the size of the estate, because the energy use is expressed per square metre. There has been a like-for-like comparison.

Mr. Vara: I hear what the hon. Gentleman says and perhaps the hon. Member for North Devon might be able to say in his winding-up speech whether there is any particular reason for the increase—this may be a one-off year. He might also say whether there will be a reduction next year.

The security aspects of the House are, of course, tremendously important. I commend the Serjeant at Arms and her team, and all the police and security staff who work so hard in trying to keep this place safe. That being said, we must remain vigilant, and the two rooftop protests in the past year showed that there can be no let-up and that security arrangements must be kept under constant review.

Particularly because of the negative publicity that this place has encountered in the past few months, but also because of the importance of engaging with the public at a time when communications are improving so greatly throughout the globe, it is important that the methods with which Parliament engages the public are always kept under scrutiny. I am pleased to say that the new visitor centre seems to have had much success. As well as providing enhanced security, it offers better reception and information facilities for those people who visit this place.

I think that the 1 million-plus visitors who have been through the new visitor centre would certainly have better comments to make about their visit than those who visited under the previous arrangement. Tours of the Palace of Westminster are always popular and 130,000 MP-sponsored tours is certainly no mean feat.

I am also pleased that the exhibitions that we hold regularly in various parts of the estate are continuing. Often, they are sponsored by Members, and they are a valuable way to ensure that charities and similar organisations that would not otherwise receive showcase publicity have the opportunity to receive such publicity when they hold an exhibition on the estate.

Education is always a matter of importance. I am delighted that there were 36,000 school visits to the Palace last year, which is an increase of about 25 per cent. It is worth noting that, when it comes to elections, young people aged between 18 and 24 are the most disenchanted group of people and the group least likely to exercise their vote. So, it is important that we try to engage an interest in the world of politics among those young people, because what happens here impacts on their lives.

I repeat that I am particularly pleased that we have had so many school visits. If the hon. Member for North Devon is able to enlighten us further, I shall look forward to hearing about the progress of the feasibility study for a dedicated education centre. I believe that that centre, if its construction goes ahead, is proposed for 2012-13.

Furthermore, I very much welcome the travel subsidies that have been provided for schools outside London for visits to Parliament. On the first day that the subsidies were available, it was good to see that they had all been taken up; that is certainly a good sign for the future. Again, it would be helpful if the hon. Gentleman said how many schools made use of the subsidies and in what areas they were located, whether in outer London or much further afield. It would also be helpful to know what types of school—primary, senior and so on—arranged visits.

As always in this debate, I conclude by thanking all the people who really make this place work, in addition to the House of Commons Commission and the Management Board. The list is extensive, but it includes the cleaners, the caterers, the Clerks and the support staff. They are the people who rarely get a mention and who—dare I say it?—perhaps are not thanked as often as they ought to be. Consequently, it was good of the Clerk of the House to invite some people who have served in the House for a long period to an event that simply marked their service. It is no bad thing that, as life gets more complicated, rushed and stressful, all those in a position of seniority take the time to thank all the other people who make their lives that much easier.

3.4 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I am pleased to be debating the House of Commons Commission's annual report under your chairmanship, Mr. Sheridan.

This Monday was the 10th anniversary of Westminster Hall first being used as our second debating chamber. In 1998, the Modernisation Committee recommended establishing Westminster Hall for that purpose. I understand that the recommendation was not met with great support across the House. However, I think people feel that this one-time innovation has been a great success, notwithstanding the small number of Members who have joined us today for this debate.

I, too, congratulate the House of Commons Commission on the hard work that it has put in during what we all recognise to have been a very difficult year. In addition, I thank the hon. Member for North Devon (Nick Harvey) for representing the Commission in five oral question sessions and for answering 198 written parliamentary questions; it is an impressive amount for the small team dealing with them and for the hon. Gentleman.

I, too, thank Dorian Gerhold, the Clerk to the Commission. For their work as members of the Commission, I also thank the Leader of the House of Commons, my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman); the right hon. Member for North-West Hampshire (Sir George Young), the shadow Leader of the House of Commons; and my hon. Friend the Member for Middlesbrough (Sir Stuart Bell). Finally, I thank Mr. Speaker for his work as Chair of the Commission.

The Commission works to ensure that the House of Commons supports the important work of Members of Parliament in serving their communities, and I commend its work. We could not do our work without the work that supports us.

I know that staff of the House and members of the Commission have worked very hard recently. All Members who are present today have touched on the difficulty of resolving the issues related to freedom of information and Members' allowances. I hope that the measures we have already taken, and the measures we will continue to take, ensure that we can rebuild the reputation of the House after the crisis that engulfed us earlier this year.

As the hon. Member for North Devon indicated, the report we are debating relates to the financial year 2008-09, which was before the issues related to allowances emerged. The important themes in the report have already been referred to, but they are greater accountability in Parliament, better outreach and better engagement with the public. They have been the focus of much of the Commission's work.

The annual report details many successes in that work, from the opening of the new Members Centre—given the comments today, Members are clearly very happy with it—to the efforts to widen access to the House for schools. I will return to the point about schools.

On the issue of supporting scrutiny, the annual report refers to the establishment of Regional Select Committees—a new challenge throughout the year. Setting up those Committees established for the first time a means to ensure regional accountability of the work of Parliament. I believe—others may not agree—that those Committees have made an excellent start in their task of scrutinising regional development agencies. The other side of that work was ensuring that the regions were in a good position to tackle the economic downturn.

Continuing the regional theme, the House agreed to establish Regional Grand Committees. Staff of the House then acted quickly to establish the infrastructure that would allow the work of the Committees to begin as soon as possible. Since March, all but one of the Committees have met and a third of MPs eligible to attend have attended their sittings. We can look at those Committees in more detail in a year's time, but I understand that their overall tone was good-humoured and that there were lively question and answer sessions. I thank the doorkeepers, the Clerks of the House and everyone else who supported those Committees.

I commend the approach that the House has taken generally to new ideas and trialling those ideas. It would be easy for a long-established organisation to be bogged down in convention, but the report shows that staff and Committees of the House are always trying new things. For instance, a number of improvements have helped to support the legislative process. The Public Bill Office undertook an experiment in providing explanatory statements on amendments to three Bills in Committee. That trial was extended to all Public Bill Committees in February.

The Equality Bill, which was considered on Report in the House yesterday, was also the first Bill in the Session to contain interleaved explanatory memorandums throughout the Bill. That important trial was conducted to make Bills more accessible to the public. The other thing about the Bill was the easy-read version—another important innovation.

Engaging and communicating more effectively with the public are essential to the work of the House, and we must continue to give them high priority. I know that Mr. Speaker, as Chair of the Commission, does so.

Other Members touched on the launch of the new website, which was an achievement. Although there are reservations about it, we seem to agree that it is now more accessible and that it should help the public. Just before I came to the debate, I spent a little time looking at some of the new things on it, and it is much clearer. In terms of outreach and extending access, there is much more interesting information on it for the public. A couple of weeks ago, we had the state opening of Parliament, and the website had an interesting item showing the Queen's Speech from 1958. There is also a YouTube video of the Lord Speaker talking about the state opening.

[Barbara Keeley]

The decision to add a YouTube channel was another positive step, which will enable more people to engage with the debates that take place on the Floor of the House and to learn about the different services of the House and the different events and occasions that take place here. As Members will have found, there is great interest in the 150th anniversary of Big Ben, and there is a lot of focus on it. There are some wonderfully informative videos about Big Ben and the clock tower on the website, as well as question-and-answer sessions with Mr. Speaker. Overall, the improvements to the website have made it simpler for Members to use, but there is obviously always extra work that can be done with IT.

On IT generally, I agree with the hon. Member for Somerton and Frome (Mr. Heath), but the issue perhaps needs more focus. As the shadow Deputy Leader of the House, the hon. Member for North-West Cambridgeshire (Mr. Vara), said, PICT has definitely improved its services, although there had been considerable cause for complaint.

I would highlight a number of issues. I agree that we need to get better value for money for our equipment. One evening recently, I was here until quite late and I found two Members from the 2001 intake complaining that the IT equipment in their constituencies was virtually unusable. I felt that the laptop issued to me in 2005 was getting out of date, but I was horrified to learn that they had laptops from 2001. My early career was with IBM, and employees there would not keep laptops for such a long period and expect them to keep working.

With a major contract with one supplier, we must look to get better value for money and more frequent replacements. In the summer recess, my laptop played up to such an extent that I was not really able to get on with much work. If we carry on with the surveys, I think that we will find that there is a continuing complaint about access from our constituencies. My constituency office has not had much access to IT over the whole of the past week and a half. I am not yet a BlackBerry user, but personal digital assistants and BlackBerrys would help to improve Members' productivity.

Like other Members, I want to talk about encouraging access and visits from schools. As an MP from the north-west of England, I would like much more to be done to encourage schools from outside London to visit Parliament. The costs and time required to travel here from the north-west, and the difficulty of fitting in with the visiting hours of the House, make it virtually impossible for schools from my constituency to come down here.

Mr. Heath: As a Member from the south-west, I am sure that we have many of the same difficulties. One thing that makes visits even more difficult is the fact that so many of the visitor slots are taken by more local MPs. That is particularly true of slots later in the day, which people arriving from the country's further recesses would actually be able to take advantage of. Members who are trying to arrange tours from further afield should have some priority.

Barbara Keeley: I very much agree. I really promote visits to the House when I visit schools, but I get a look of blank incomprehension when I describe the details of what they would entail. Only one or two schools from my constituency have made it down here. Generally, schools have to leave at four or five in the morning, which is just not possible for young children. We must do something about that.

The work of the education service on this issue is important. The Administration Committee suggested a pilot to subsidise school travel to Parliament, and I understand that it was fully booked on the first day, which suggests that there is tremendous demand out there. Indeed, I understand that schools that do not normally visit Parliament have made bookings under the pilot, but we could do a lot more. We need to help young people to learn about Parliament and the work that goes on here. We could and should carry on doing more to improve access from the regions.

Like other Members, I want to touch on the recent pilot use of the main Chamber by the UK Youth Parliament, which can only have helped matters. The material, the videos and everything else about the event shows that it was a great success. It was a historic occasion, and the young people were very impressive when they delivered their speeches. I hope that we will enable the young people in our Youth Parliament to make their debates an annual event.

The outreach programme was launched in 2008 to spread awareness of the work and relevance of Parliament. It has involved giving training sessions on the workings of Parliament and on how individuals can become involved, as well as holding exhibitions, and I agree with the hon. Member for North-West Cambridgeshire that that is vital. Those exhibitions and that information need to go around the country.

As historic institutions, the Houses of Parliament are the subject of many academic studies. We should also refer to the parliamentary archives, which provide an important service to the large number of visitors that they receive each year. It is important that the wider public understand the historic significance of Parliament, and work such as the collaboration between the archives and the BBC's "Who Do You Think You Are?" programme can only have done wonders for Parliament's profile. That mixing of a popular programme with the work of the archives is key, and I hope that it encouraged more people to visit. The House also continues to give grant in aid support to the History of Parliament Trust, which does vital work.

The Overseas Office assisted with 124 visits from overseas groups last year, and I recently met a delegation from Vietnam. I also met the Deputy Speaker from Ghana, and it was very interesting to see the different way in which they legislate there. Indeed, the Deputy Speaker gave me a couple of ideas, which I hope that we might take forward. Such visits provide the opportunity to share experience and knowledge from different legislatures, which is important.

There have been many changes, and Members who have spoken touched on some of them, such as the opening of the new visitor reception building, which now seems to work very well. However, I want to touch on a few of the many essential services provided on the parliamentary estate. The catering staff provide excellent services and continue to adapt to the needs of Members and their staff. The Tea Room is a vital support to Members' work, particularly during long debates. I particularly single out Noelleen Delaney and her staff, who work efficiently and well. When we feel a bit down

and fed up and that we would like to go home at nine o'clock in the evening, they can really lift our spirits, which is important.

As someone with a restricted diet, I make a plea for better labelling of ingredients and for more wheat-free food options. For some reason, the 2005 intake seems to include a few people with eating problems, and some are coeliacs. When I was buying my wheat-free sandwich in the Terrace cafeteria at lunch time, one of the staff told me that she was also a coeliac. So Members and staff have this issue, and labelling is vital for them, because they have to be careful not to eat gluten or wheat, and that can be a minefield. It is important to say that this is not a question of dietary preferences—of not liking something—but of becoming ill if we eat the wrong thing, so the issue is important.

On maintenance, work has begun to replace the 160-year-old cast-iron roof, starting with the roof in the Speaker's Court area. Furthermore, the Department of Facilities has worked hard to put together a detailed feasibility study exploring different options for modernising the mechanical and electrical primary services. There is much debate when such large-scale maintenance or refurbishment is needed, and there needs to be, because it is important that all options are considered.

Obviously, the mood of the House is to start looking at when we are sitting and when we should be sitting, and maintenance will have to interleave with us. I mentioned that my career started in information technology at IBM. To start with, people could take over the IT systems, run with them for a couple of hours and tell the users to go home at eight o'clock. Over the years, however, that has become unacceptable, because people expect to have access 24/7, so we increasingly have to find ways of keeping this building open and having maintenance work around us if we can.

As a supporter of the 10:10 campaign, I add my voice to those of Members who have touched on concerns about energy consumption. I hope that we can do more: I think that we should, because we shall otherwise be very much pressed to do so by our constituents.

I want to thank all the staff of the House who work so hard to make this place run smoothly. We still sit late on Mondays and Tuesdays and staff should know how much their support to keep us going during those long hours is appreciated. During the snow in February, which could have disrupted things here, staff managed to get into work to enable the House to carry on. We should remember the effort that people made, which even meant that my predecessor, who is now Minister for Europe, was able to lead a debate in the evening. I am not sure whether my hon. Friend thought that that was a good or a bad thing, but everything went as it should.

The advice and services that enable the House and its Committees to conduct their business effectively are all highly valued by Members. Other hon. Members have touched on a few of those services already, and I want briefly to highlight some. We have already talked about the Public and Private Bill Offices, which made important preparations to support the Regional Grand Committees. We have heard, too, about the Library, which does remarkable work. It produced a comprehensive research paper in time for every major Government Bill and for the private Member's Bills of the first seven Members in the ballot. The Library dealt with 18 per cent. more inquiries than in the previous year and had contact with 97 per cent. of Members.

The Vote Office successfully operated a no-fail policy in providing papers to support the work of the House, which meant that the correct documents were available all the time. I think that we take such things for granted, and we should not, because it is a remarkable thing that everything works like clockwork, so close to 100 per cent. of the time. I, too, want to thank the Table Office for its handling of the tabling of questions. It is not in the scope of the debate to discuss ministerial answers to parliamentary questions, but the Office of the Leader of the House is working hard to ensure that there is an improvement, and that will continue to receive our attention.

My own favourite support service is the *Hansard* staff, and the shadow Deputy Leader of the House has already touched on its work. Not only do they record what Members say in questions and debates in a way that achieves greater clarity—perhaps they do not have such a hard job now as they used to—but they do so with remarkable accuracy. Last year, they recorded almost 19,000 columns of debate. It is a remarkable service, of which we should be proud.

In looking back at the successes for the House of 2008-09, we know that the subsequent year, 2009-10, has been a terrible year for Parliament and for its standing with the public. I know, and other hon. Members all know, how we feel about that, but it affects the staff of the House, too, and we have to change. By this time next year, changes that are now being implemented will have had time to mature and necessary work will have had time to develop. The establishment of the Independent Parliamentary Standards Authority is a major step forward, and it will bring about vital independent regulation and administration first of allowances and then of pay and pensions. As the hon. Member for North Devon has said, that affects the staff of the House, who will see it as a cause for concern. I had meetings with unions representing staff in the Department of Resources. I could do no more than listen to their concerns about the development of the authority, but it was important to do that. Their concerns are of course listened to, and are being taken forward.

I am sure that I speak for Members of all parties when I say that we are dedicated to overcoming the issues in question and making the necessary changes, so that all the work of Parliament can return to being something of which we can be proud.

3.23 pm

Nick Harvey: By leave of the House, I shall reply to the debate. I welcome the fact that the three party spokesmen have made so many positive remarks about the House service and the work of staff. I thank them also for their positive remarks about the Members Centre, the improved visitor arrangements, the visitor reception building outside and the work of other parts of the House service, such as the Library, *Hansard*, the Table Office, the Public Bill Office and many others. It is clear that there is a lot for us to be pleased with and grateful to our staff for.

I shall touch for a moment on some of the questions and challenges raised by hon. Members. My hon. Friend the Member for Somerton and Frome (Mr. Heath)

[Nick Harvey]

raised questions about the website. He described himself as old-fashioned, and although I think that the website is much improved, I fear that I may suffer the same tendencies, because the intranet seems to me to be somewhat counter-intuitive at various points. I dearly wish, when I am struggling to find my way around it and trying to use the search facility, that it would search the intranet and tell me what is on it, instead of searching the parliamentary information management system and telling me what might have been discussed on the topic some years earlier. However, that is a minor point, and the website itself is considerably improved.

My hon. Friend referred to the early-day motion tabled by my hon. Friend the Member for East Dunbartonshire (Jo Swinson). The House has responded to the great majority of what she has been campaigning for. There is, I think, one relatively minor issue that in her mind remains unresolved; but there is a tension, because if the House agrees to what is being demanded, there is every chance that other production houses will ride roughshod over the continuing and lingering controls over how the Chamber is televised. However, that will continue to be under review.

My hon. Friend the Member for Somerton and Frome asked about major works, as did the hon. Member for North-West Cambridgeshire (Mr. Vara), the shadow Deputy Leader of the House. I, too, think that the 11-week summer recess will need to become a thing of the past, but the House must understand that there is a tension between not having that long period for maintenance work and the necessity of holding the Government to account.

My hon. Friend said that he could think of no other building—no stately home or other office—that would carry on in the way that the House does, but with respect, that is because the users of those buildings would not insist, in what is frankly an irrational and unreasonable way, that all maintenance must go on when they are not there. If we are to sit in September—I hope that we are, because it is a perfect excuse not to go to party conference, for one thing—we shall have to accept some maintenance going on around us as we work. It is unique that we expect everything to be done out of sight and sound. We shall just have to get into the real world and accept an element of such activity going on around us.

On the potential for the big decamp that the hon. Member for North-West Cambridgeshire asked about, it is impossible to say with any certainty how long it would take, how much it would cost or when it would be done, but all those things are being teased apart at the moment. When it is possible to put information into Members' hands to enable them to understand the issues, we shall certainly do so. However, the longer that we postpone dealing with the huge mechanical and engineering project in question, the greater the risk that something fundamental will break down in a way that cannot easily be repaired. That is a huge, looming project, which cannot be dodged altogether. We must tackle it, and decisions will have to be made.

Mr. Vara: For clarity, would it not help in doing the work that needs to be done, and is being done at the moment, if we knew whether we were going to do just patchwork, or eventually have a move? For example, if some pipework needs to be dealt with, would it not be helpful to the people doing that work if they knew they needed only to do a good job that would last 10 years, because there would be no point in a Rolls-Royce job, as it would have to be done again? Alternatively, it might help them if they knew at this stage that they needed to do a Rolls-Royce patchwork job, which would have to last a long time. The work that is being done at the moment would be assisted by some certainty.

Nick Harvey: I understand the point exactly, but although the sort of work that takes place now on the mechanical and engineering infrastructure is of the kind that the hon. Gentleman would call patchwork, there is no chance of patchwork—even aggressive patchwork—ultimately resolving the problem. There will have to be what could be called the Rolls-Royce option of a complete and fundamental replacement of the infrastructure. The question is, when? If the work is done only over summer recesses, it will cost a great deal more and take a great deal longer, increasing the risk of the whole thing fundamentally conking out. That is why the study we commissioned concludes unequivocally that decant and addressing the project in one go is the best option. What that would mean, when it would occur and how long it would take all need more work. Even the proposal that the House of Commons use the House of Lords Chamber, if the Lords could be persuaded to agree to that and to operate somewhere else for a time, would itself produce a quagmire of diplomacy between the Houses. These things are not imminent, but they cannot be dodged indefinitely.

All Members who spoke rightly mentioned the House's environmental performance, which has been going in the wrong direction and is unsatisfactory, but I reassure Members that both the director general of facilities and the whole Management Board take the issue seriously. Nearly a year ago we appointed someone to the new post of head of environment, charged with tackling the issue. A detailed environmental assessment is being carried out and early next year I expect to see significant recommendations on how we will tackle those issues, including some challenging changes that we will have to make.

However, it was not possible to sign up to the 10:10 campaign and state that we could achieve a 10 per cent. improvement during 2010. The Commission considered it and representations were made to us, but we unanimously arrived at the view that we could not sign up to the campaign in all conscience and in good faith because we could not guarantee that we would achieve its targets.

Barbara Keeley: That is the initial feeling when we look at the 10:10 campaign, but could we not actually just do best efforts? In fact, the campaign is not a commitment to achieve 10 per cent. by 2010, but to do our best towards that. It behoves us to say that we would do the best we can towards that. That is the simple point.

Nick Harvey: With respect, although the 10:10 campaign included 10 per cent. as an aspiration, as my hon. Friend the Member for Somerton and Frome called it, by signing up to it we had to guarantee to achieve 3 per cent., and we did not feel that we could categorically

guarantee even that. Our hope is that we will achieve a great deal more than 10 per cent., but in all conscience we could not anticipate that we would do that in 2010. It is no good saying that those targets are simply aspirational, they contained solid commitments and having considered them, we were not in a position to sign up.

There have been criticisms of PICT and IT equipment. PICT has made great strides, and there have been huge improvements in our IT support, and a great deal more is under way. By the end of next year the network will be on a completely new server and all the equipment will go through a refresh programme so that new Members coming in after the election will get brand-new equipment, and returning Members will have new equipment by next autumn.

Several comments suggested that the equipment is not as new as it might be. IT equipment currently goes through a refresh once a Parliament. As the Minister will know only too well, coming from the world of IT, by the time a desktop or laptop computer is five years old it is probably not as good as those one can buy even in Tesco. We could certainly replace them more frequently if we wanted to, but that would obviously produce a greater drain on the public purse, and we must consider what is reasonable when using public resources.

The Minister said that in some constituency offices the equipment in use dates back to 2001. That might be so, but it is not PICT property. It is equipment Members bought in 2001 and have either chosen not to replace, or not been in a position to replace. No PICT equipment dates back further than 2005. Clearly, we could replace things more frequently, but there would be a cost implication in doing so. I am the first to acknowledge that the provision of personal digital assistants—PDAs—is still short of where Members want it to be. I have quietly been a vocal lobbyist of PICT and a critic of some aspects of IT provision. I understand that completely new solutions on mobile computing are on the way and I hope that the offer to new Members arriving after the election will be a significant improvement. It will also be available to returning Members, so progress is being made.

My hon. Friend the Member for Somerton and Frome wanted more audit information made available to Members. There would be absolutely no problem with that, but judging by the level of interest even in the amount of information we have put to the House this afternoon, I am not entirely convinced there would be a huge appetite for it. I will certainly draw his remarks to the attention of the Audit Committee and see what arrangements could sensibly be made to put the specific audits to which he referred on the Committee's website or at least make them available to Members in one way or another.

The shadow Deputy Leader of the House mentioned security. Security is not predominantly a matter for the Commission, but one for Mr. Speaker. We need to be alert to the increasing security challenges, and Mr. Speaker, the Serjeant at Arms and everyone else involved needs a lot of support in that.

Good points were made about the time of day for school visits. Primary school pupils in my constituency, like those in the Minister's constituency, would have to start out at 4 o'clock in the morning and would still arrive rather breathless to try to make the deadlines for visits. I will do what I can to draw that to the attention of the relevant officials and see whether the time slots could be allocated according to the distance travelled.

My final point is about food labelling. I nearly did not make the debate this afternoon, having tucked into a tasty lunch and discovered half way through that there was something I was allergic to lingering in the food, which had not been mentioned in the description. The Minister's points about labelling are absolutely right, and I will draw them to the attention of the catering department.

If there are any loose ends that I have not covered, I will write to hon. Members about them. I thank all Members present for their comments and constructive criticisms, which I will draw to the attention of the relevant officials. Once again, on behalf of all Members, I thank all staff of the House for the support they give us.

Question put and agreed to.

3.38 pm

Sitting adjourned.